THE CITY OF
VICTORIA

2003 Annual Report

WORKING FOR OUR CITIZENS

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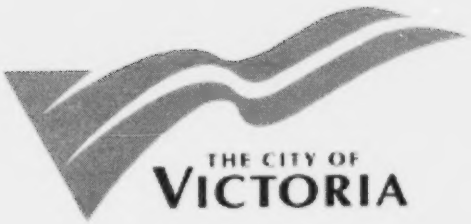
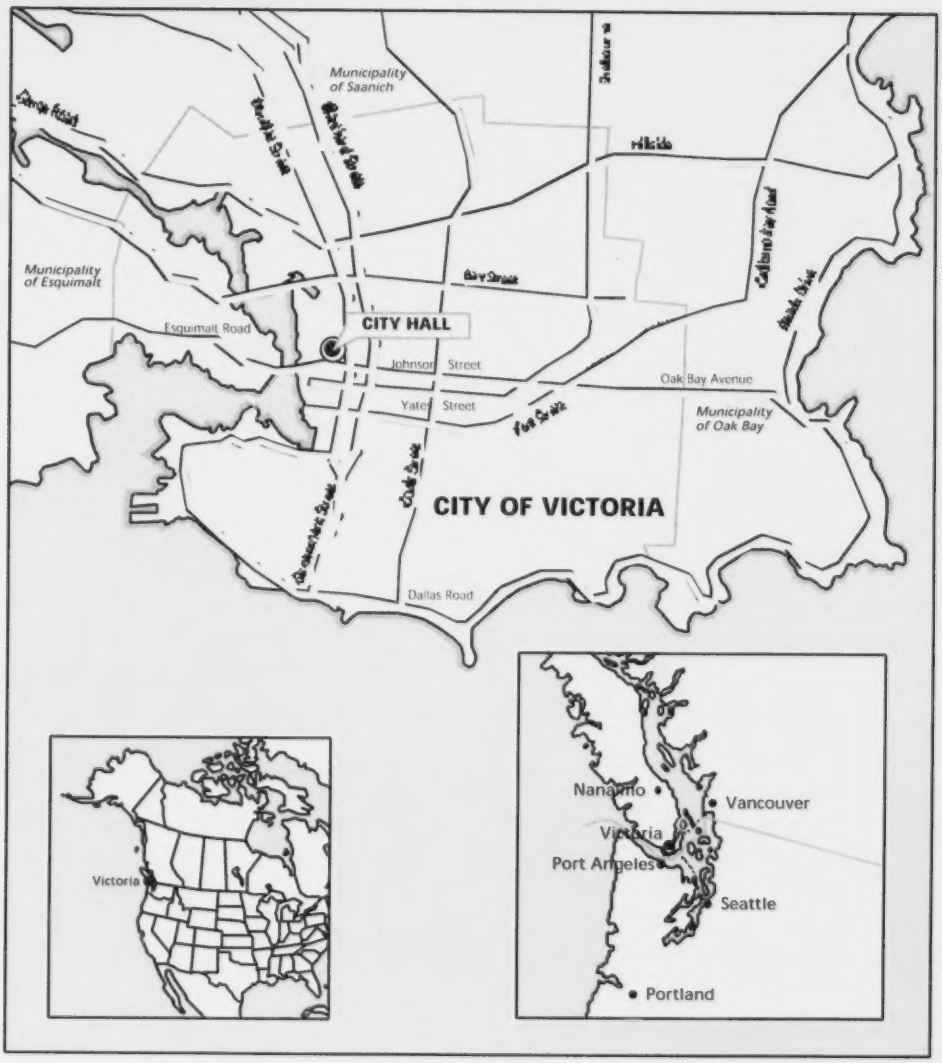


Annual Report 2003

Working For Our Citizens

This document prepared by:
the Communications Division,
Finance Department and
Legislative Services Division
of the City of Victoria

Maps


Municipality of Saanich
Municipality of Esquimalt
Esquimalt Road
CITY HALL
Johnson Street
Yates Street
Oak Bay Avenue
Municipality of Oak Bay
CITY OF VICTORIA
Dallas Road
Victoria
Nanaimo
Vancouver
Victoria
Port Angeles
Seattle
Portland

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Message from the Mayor

Mayor Alan Lowe

One principal of the new Community Charter is that with more local autonomy comes a focus on appropriate accountability. The Community Charter requires municipalities to prepare an annual report regarding financial and operational information related to the municipality. This year, our annual report includes the statement of goals and objectives which will guide our decision making throughout the remainder of our term.

2003 was a year of significant accomplishments. There were also a number of challenges, which Council and staff worked hard to address in the interests of all our citizens. We have endeavoured to demonstrate leadership in balancing economic development goals while enhancing social support and preserving and protecting our cultural and environmental assets.

The year began with a newly amalgamated Esquimalt and Victoria Police department, which significantly improved services for both municipalities over the course of 2003 and is a potential blueprint for regional policing. Improvements in public safety were also realized in 2003 through the introduction of the CREST emergency communication system and the new PRIME information system in our Police Department.

The social issues that affect our communities and are most prominent in the downtown core posed a significant challenge at the beginning of 2003. In January 2003, the City, the Victoria Police Department and the Vancouver Island Health Authority launched the Downtown Health Initiatives Action Plan with both short-term and long-term actions. We have accomplished all our short-term goals and many of our long-term goals, including the expansion of youth detox services, the opening of the Sobering and Assessment Centre, the establishment of the Inner City Health Coalition, increased enforcement of drug trafficking and expanded needle pickup services.

Victoria—the city and the region—needs a healthy downtown if it is to thrive. We have seen the downtown business community lead a renewed drive to improve the safety, security, and cleanliness of the downtown core. We started 2003 with downtown businesses demanding that we clean up the streets, and by the end of the year, these same businesses were working alongside social service and community agencies.

The Downtown Victoria 2020 Conference was an important milestone in the development of a stronger partnership with the City, the business sector and social and community agencies to strengthen the economic vitality of the downtown core and tackle its social problems.

Economic priorities, including improved financial performance and greater efficiencies in business practices, were highlights in 2003. We continue to strive for excellence in planning for economic growth and development, and we saw a number of projects come on-stream in 2003 to revitalize the north-end of the Downtown, Victoria West, and the Rock Bay areas.

We remain committed to promoting a green, clean and walkable city, and we made significant strides in the past year. We adopted an aggressive program to eliminate chemicals that are inappropriately discharged into the liquid and solid waste streams, and began implementing the Victoria Harbour Environmental Protection Program to improve storm water quality flowing into the Harbour.

The City is also committed to the reduction of greenhouse gas emissions in accordance with the Kyoto Protocol. In fact, we have already met the goal of a 20 per cent reduction. We have also significantly reduced energy consumption through better energy management.

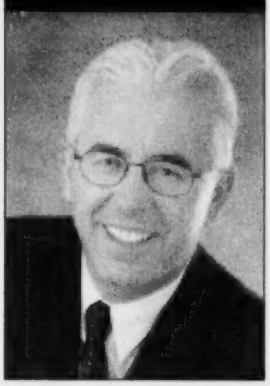
In October 2003, the City of Victoria conducted a Citizen Survey to assist us in setting budget priorities for 2004 and evaluating programs and services. We were pleased that 86 per cent of our citizens said you were pleased with the overall direction the City is taking. Those of you surveyed also asked us to focus on capital projects such as sewer, drainage and water systems, affordable housing, environmental protection and beautification and revitalization of neighbourhoods and the downtown.

The priorities we set reflect the public service delivery that you the public have demanded of us. You have entrusted us with public resources to use wisely for the common good, and I hope that you will find that we have served your interests well over the past year. I invite you to peruse the information contained in the following report and provide us with your views and feedback.

The Mayor presenting a Richard Hunt mask to the Commander of the HMCS Victoria upon its arrival in 2003.

Alan Lowe
Mayor

Message from the City Manager



City Manager
Joe Martignago

It is that time of year again; time to report publicly on the state of affairs at City Hall. The City of Victoria is legally obligated to publish an annual report. But more than that, this document enables City Council and its administration to communicate its activities and financial statements over the past year. In so doing it serves as an important accountability tool; a measure against which our performance can be evaluated from year-to-year. This year we have sought to highlight the many ways our staff contribute to the quality of life that defines Victoria as one of the premiere cities in Canada—a city I am proud to serve.

Municipalities enjoy a unique relationship with their citizens. They are seen to be, and are in fact, the most accessible level of government. With that accessibility comes community participation, expectation and accountability. Public participation takes a variety of forms—membership on Council advisory committees, task forces and boards; advocacy at public hearings; and direct communication with members of Council and City departments, to name a few examples. Ultimately, community input is what helps us achieve the quality of service we continually strive for. Our vision for Victoria should, and does, reflect the community at large.

In its interactions with the public, the City of Victoria assumes many roles including that of legislator, regulator and service provider. Against this complex backdrop the City's mandate is clear—to function in an efficient and cost-effective manner. What does this really mean? Simply put, it means providing the best level of service we can at the lowest possible cost to our taxpayers. It is an ongoing challenge, and one that informs all operational decisions.

The City's administration is working hard to preserve and enhance Victoria's reputation as one of the most liveable cities in the world. Our focus on public service prompted the development of our first Citizen's Survey. Survey results confirmed that we are on the right track with our Corporate Strategic Plan by focusing on strengthening the economic vitality of downtown; enhancing the quality of life for our citizens; promoting a green, clean, walkable and safe city; and improving the quality of civic services by fostering a high-performance work environment.

Ultimately, we rely upon the individual leadership that runs through our organization to create a collective commitment to service excellence. Professionally and personally, City Council and City staff are invested in our community, committed to making our shared home a welcoming and prosperous place. They give of their time and talents, both on and off the job, to be exceptional stewards of our cultural and environmental assets and leaders in enhancing the social and economic vitality of our region.

Thank you for a very successful year. I look forward to working with you all in pursuit of our goals for 2004.

Sincerely,

Joe Martignago
City Manager

2003 Corporate Highlights

The City of Victoria has renewed its focus on citizen services, which resulted in our first Citizen's Survey in the fall of 2003, and guided the development of initiatives to improve our effectiveness. City services range from providing clean drinking water to fire and police protection, collecting garbage, land use planning and policy work, economic development, parks, recreation facilities, playgrounds and playing fields, local road maintenance, licensing, issuing permits, collecting and disseminating information, archives, sewer and storm drain systems, collecting property taxes, regulatory controls and enforcement, community centres, conference facilities, land management and legal services.

The following corporate highlights depict how the City, together with our professional staff and community partners, is working for each citizen by meeting Victoria's mission to be exceptional stewards of our cultural, and environmental assets and leaders in enhancing the social and economic vitality of the region. Highlights will be reported from a Triple Bottom Line perspective, which is defined as "the return on capital investment when evaluated and measured along financial, environmental and social dimensions." For the City of Victoria, Triple Bottom Line has been specifically identified as balancing economic prosperity, social performance and environmental sustainability. By investing in all three areas, the work of City staff greatly contributes to the overall health, diversity and prosperity of Victoria.

Victoria City Council at a Committee of the Whole meeting.

■ **Supported the Downtown Victoria 2020 Conference**

The City contributed $60,000 along with a conference planner, media liaison and numerous other staff resources to the Downtown Victoria 2020 Conferences organized by the Downtown Victoria Community Alliance (DVCA). The DVCA emerged after City Manager Joe Martignago extended an invitation to a group of individuals to meet with City staff to discuss revitalization of the downtown core. After a number of meetings the group decided that it should proceed as a citizen-based initiative, in partnership with, but separate from the City. Collectively, representatives from the many groups and organizations that make up the downtown community designed the first successful conference in November working towards their goal of a revitalized, healthy downtown through citizen-based initiatives. The second conference will take place in March 2004 and will be followed by the development of an action plan incorporating input from both conferences.

■ **Attained the Victoria Conference Centre's Best Year**

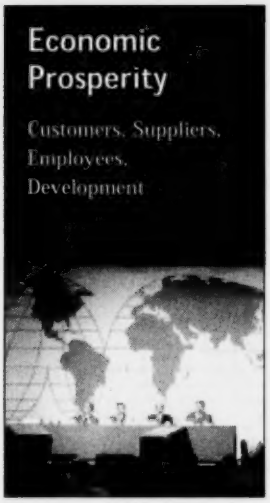
Despite some of the challenges to the global travel industry in 2003 such as SARS and threats of terrorism, the business of conferences and meetings in Victoria continued to be strong. 2003 was the best year to date for delegate attendance at the Victoria Conference Centre ending with 107,675 delegate days, slightly ahead of the 2002 figures of 107,107. The Centre is on track to deliver over $40 Million in direct spending to the local economy.

■ **Rebranded the Victoria Conference Centre**

In October of 2003, a new corporate identity was developed for the Victoria Conference Centre. The new brand communicates the meeting experience of Victoria and the Conference Centre. The "salmon" logo, based on Aboriginal artwork, is unique. It captures the coming together of conferences, unites the art and cultural design within the Victoria Conference Centre and highlights the economic importance of the Centre. New marketing materials have been developed to present the look to potential clients in new and existing markets. In response to feedback from meeting planners, the Centre also invested in updating the building in 2003 with new carpet and paint throughout for a fresh look.

■ **Developed Local Champions to Attract Conferences**

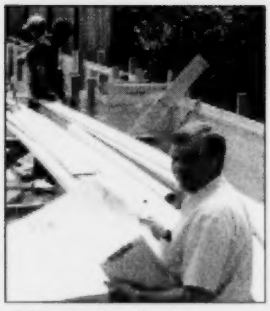
In 2003, the Victoria Conference Centre developed a contact plan for local business and community organizations to provide information on the Centre and to cultivate local champions for attracting conferences to Victoria. Presentations were made throughout the year to organizations such as: Tourism Victoria's Destination Marketing Committee, Greater Victoria Hotel Association, University of Victoria, Vancouver Island Technology Park, Royal Roads University, Department of National Defense and City of Victoria Mayor, Council and staff.



Panelists for a presentation at the Victoria Conference Centre.

DID YOU KNOW...

- Each delegate attending a conference in Victoria spends an average of $305 per day in local hotels, restaurants, attractions, retail outlets and on tours.
- The Victoria Conference Centre contributes over $40 Million annually to Victoria's economy through direct delegate spending.
- The Victoria Conference Centre is now a wireless environment.
- There are over 3,200 hotels rooms within a 10 minute walk of the Conference Centre.



A City Building Inspector conducting a foundation form inspection.

DID YOU KNOW...

- In 2003, 2,944 building permits valued at $133.1 Million generated $1.6 Million in revenue for the City.
- There are 8,700 businesses located within the City boundaries representing 40 per cent of all businesses within the Capital Regional District.
- On a national scale, Victoria ranks 5th on the Talent Index (proportion of population with a bachelor's degree) and 3rd on the Bohemian Index (employment in artistic and creative occupations).

■ **Continued Successful Planning**

The Planning and Development Department measures economic prosperity through the revenue and grant stream, identifying development opportunities through planning, and policy updates and improved efficiencies in business practices and processes. The following activities provide measures of success in each category:

Revenues and Grants:

- **Building Permits:** 2,944 issued; valued at $133.1 Million; $1.6 Million in revenue
- **Sign Permits:** valued at $534,324; $27,600 in revenue
- **Rezoning Application and Hearing Fees:** $181,380
- **Business Licences:** 8,700 issued; $1.2 Million in revenue
- **Dog Licences:** $56,800
- **Leases:** 18 renegotiated; $1.4 Million in revenue
- **Agreements of purchase and sale of City land:** 4 completed; $1.496 Million in revenue
- **Parcels of land acquired as Crown Grants from Transport Canada:** 26
- $122,000 in **Economic Development grants** provided to five local agencies
- An independent review of the **City's legal services program** demonstrated value and savings for staff and taxpayers

Development Opportunities Completed:

- Railyards Plan Update
- Fernwood Road Village Development Permit Area
- Official Community Plan amendment for North Park to extend Development Permit Area
- Shoal Point, Phase 3 (Condominium)
- Diagnostic and Testing Facility, Royal Jubilee Hospital
- Food Court Renovation, Mayfair Mall
- Sears Store Renovation, Hillside Mall
- The Reef (Condominium)
- Upper Harbour Place (Office)
- Mt. St. Mary's Hospital (200 beds)

Development Opportunities in Progress:

- Rock Bay Precinct Plan
- Downtown Plan
- Dockside Phase 3
- Alston-Tyee-Bay Land Use Policy

Efficiencies in Business Practices and Processes:

- Improved Applications (new signs, bylaw, air photos)
- Updated Planning Website
- Developed Disaster Recovery Plan for City Planning Services
- Continued the Livable City Integrated Team

- Hosted Planning 101 (community public education program)
- Implemented electronic application tracking system (Tempest)
- Reorganized Public Service Front Counter
- Created mapping standards
- Established same/next day inspection service standard
- Reorganized economic development information portal
- Provided proactive legal risk management advice

■ Implemented Advertising on Downtown Kiosks

Advertising was implemented on downtown information kiosks in 2003 to support the maintenance and updating of community information maps.

■ Renewed the Bus Shelter Advertising Contract

The City negotiated the renewal of a long-term contract for advertising on bus shelters downtown which will provide maintenance for current shelters, increase the number of new shelters installed and provide a significant increase in revenue to the City.

■ Developed an Information Technology Strategic Plan

A draft detailed Strategic Plan for Information Technology within the City was developed in 2003. Due for publication in early 2004, this will allow all City staff and citizens to understand the driving information technology related philosophies the City will follow in its commitment to increase efficiency and effectiveness while decreasing costs. The plan is based on the original Smart City concepts and continues to promote that philosophy.

■ Continued Implementing Thin-Client Computers

The City's Information Technology Division continued the implementation of thin-client computers initiated in 2002, which has resulted in approximately one-third of City desktops now using this technology. This initiative reduces the per-user cost of maintaining current technology and positions the City for rapid, low cost deployment of new technologies and applications. Conversion to thin-clients will continue through 2004 and 2005 aiming to have all desktops on thin-client by 2006, resulting in ongoing savings in the order of $100,000-$200,000 per year.

■ Established New Technology Partnerships

New partnership agreements were established with three local information technology vendors to supply goods and services for the next 24 to 36 months. These agreements substantially reduce acquisition costs and delivery times, while engendering a win-win relationship. This initiative has resulted in our partners developing innovative cost-saving solutions for some of the City's technology problems, including controlling email spam and enhancing security and access.

Public Service Centre staff greeting a customer.

DID YOU KNOW...

- The resident population of Victoria is approximately 75,000. More than 2/3 of the CRD's working population commute to Victoria, thereby increasing the weekday population to approximately 220,000.
- A regular personal computer consumes 300-500 watts of power, while a thin-client device consumes only 25-50 watts of power.

Engineering staff installing a new wayfinding street sign by the cruise ship terminal.

Human Resources staff accepting an application for employment.

■ Increased Payroll Efficiencies

Phase One of the JD Edwards, Human Resource/Payroll Systems was successfully implemented with time entry for the new system going live on December 22, 2003 and the first pay produced on January 9, 2004, realizing a number of efficiencies in terms of staff time required for administration, streamlining the process and eliminating previous duplication.

■ Processed Land Development and Utility Company Applications

A high volume of land development and utility company applications were processed by the Engineering Department including major projects such as Railyards, the Victoria Arena, the Mariott Hotel and the Capital Regional District building.

■ Increased Accounting Efficiencies

The JD Edwards Financial System was successfully implemented on January 1, 2003 which resulted in the following changes and benefits:

- Easier and quicker financial reporting. Better functionality and accessibility allows managers to make on-line, up-to-date inquiries of their areas of responsibility based upon their changing needs.
- Immediately available budget data can be monitored as changes occur. JD Edwards has three budget stages (requested, approved and final) which enables the requested budget to immediately be uploaded to the system.
- Reconciliation and management of purchasing card transactions is much easier. The new process allows expenditures to be updated on a more timely basis and provides better financial reporting.
- Interface programs between JD Edwards and the City's bank allow the City to provide better customer service through e-commerce, more effective cash management and a more streamlined investment process.
- An improved General Ledger Structure provides a better break down of revenues and expenditures and allows for online inquiries.

■ Added an Alternate Payment Option for Utility Customers

Property owners in Victoria now have the option of making monthly fixed payments against their utility account by automatic withdrawal, allowing customers to equalize their payments throughout the year. On December 1st, a lump sum is withdrawn for the balance due on the account and the utility bill is issued every four months.

■ **Improved Customer Service**

The Engineering Department worked with other City divisions and departments to streamline the processing and review of applications, resulting in improved customer service.

■ **Doubled the Number of Pre-Authorized Payments for Property Taxes**

The number of people using the pre-authorized payment program for property taxes has doubled over the two years it has been available. The program has been improved by withdrawing the balance owing on the account on the tax due date, preventing any possibility of receiving a late payment penalty.

■ **Utilized Pipe Bursting Trenchless Technology**

The sanitary sewer main on Humboldt Avenue from Penwell to Blanshard Street was replaced using Pipe Bursting Technology. This process breaks and pushes the old pipe (500 mm) outward, making room to pull a new, larger (525 mm) pipe in its place without excavating. This form of trenchless technology saves time and money and minimizes interruption to citizens.

■ **Purchased Surplus Street Light Poles**

Negotiated with the Provincial Government for the purchase of surplus Traffic Signal poles at a reduced cost. These poles will be added to the City's inventory and used over the next three to five years, resulting in savings to the City of approximately $40,000.

■ **Began Reconstruction of Gorge Road Intersection**

Completed the design and began reconstruction of Gorge Road at the intersection of Bridge Street and Garbally Road to support build-out of the Selkirk Waterfront Development. This project provides a left turn storage lane with a protected left turn phasing on Gorge Road, a central landscaped median, and widened curb lanes for cyclists. Construction costs are being shared equally between the City and the developer of the Selkirk Waterfront Development. Construction is anticipated to be complete by April 2004.

An Engineering staff member adjusting traffic signals.

An Economic Development staff member discussing a new construction project at the site on Government Street.

DID YOU KNOW...

- You can get a building inspector on the job site within 24 hours of requesting an inspection.
- 18 houses and four commercial buildings were designated Heritage Properties in 2003.

Crystal Pool staff working at their renovated facility.

DID YOU KNOW...

- Thirty-nine pilings were replaced along with 720 metres of railings (facing boards) in the upgrade of the Johnson Street Bridge.

Artist rendering of the new arena, now under construction.

■ Initiated a Recreation Renewal Plan for the City

The Recreation Division undertook an ambitious but necessary study that reviewed and assessed the infrastructure status of all City-owned recreational and community facilities including: Crystal Pool and Fitness Centre, Royal Athletic Park, Victoria Curling Club, Boys and Girls Club, and Community and Seniors Centres. Information from this study will assist the Project Team as they work towards building a Recreation Renewal Plan that will guide Victoria's quality of recreation and community services for the next 10 years.

■ Initiated a Victoria West Transportation Study

Completed terms of reference, issued a Request for Proposal and awarded a contract to undertake a comprehensive transportation study for the Victoria West Neighborhood, an area in transition from heavy industry to mixed use. This study – which includes recommended mitigation options – should be completed by March 2004.

■ Implemented a New Sewer Lining System

The Sewer Utility Section purchased a new system that allows the City to re-line existing services and mains from 100 mm to 200 mm in diameter from properties. The technology has the advantage of rehabilitating services without requiring excavation of the street, saving time, money and minimizing disruption to citizens.

■ Began Construction of the Save-On-Foods Centre

Completed the deconstruction and removal of the Memorial Arena and began construction of the new 7,000-plus seat Save-On-Foods Centre. Public art was selected and will be placed at the corner of Caledonia Avenue and Blanshard Street. Planning and coordination for the allocation and use of community ice time is in progress. The City looks forward to welcoming the Victoria Salmon Kings hockey team as the cornerstone to the new Arena's success.

■ Provided Neighbourhood Development Grants

Enhanced the viability and livability of Victoria by providing base funding, matching grants and celebration grants through the City's Neighbourhood Development Grant Program. These grants help support local artists and musicians, beautify the City's neighborhoods and promote innovative improvement projects that build community identity and pride.

■ Distributed Special Project Grants

Community Development disbursed $80,450 through the Special Project Grant Program designed to assist community-based organizations undertaking new initiatives and special events within the City. This grant program focuses on the areas of community development, economic vitality, environment, heritage, arts, culture, community awareness and recreation.

■ **Redeveloped William Stevenson Memorial Park**

Began implementing the redevelopment of William Stevenson Memorial Park, a two-acre green space adjacent to the Fernwood Community Centre. To date, new playground equipment and synthetic safety surfacing have been installed. Future priorities being considered include improved lighting, new paths, an irrigated turf play-court and a water feature to celebrate the original "springs" of Victoria.

A Parks staff member adjusts playground equipment at William Stevenson Memorial Park in Fernwood.

■ **Continued the Ross Bay Cemetery Reactivation Plan**

The Parks Division partnered with the Old Cemeteries Society to prepare an inventory of grave plots available for sale at Ross Bay Cemetery. Revenue from plot sales will be used to fund improvements to perimeter security, construct new cremation memorial spaces and increase the Perpetual Care Fund. In time, revenue from the sale of plots and cremation memorial spaces is expected to increase the Perpetual Care Fund to a level that will eliminate the current taxpayer subsidy for the cemetery's maintenance. Plot sales and construction of the perimeter design for the southwest quadrant of the cemetery will commence in 2004.

■ **Disbursed Festival Investment Grants**

Contributed $95,500 through the Festival Investment Grant program to facilitate the growth of community neighborhood festivals and celebrations. The total operating budget of these events is estimated at over $3 Million with sponsorship from the community totaling over $1.5 Million.

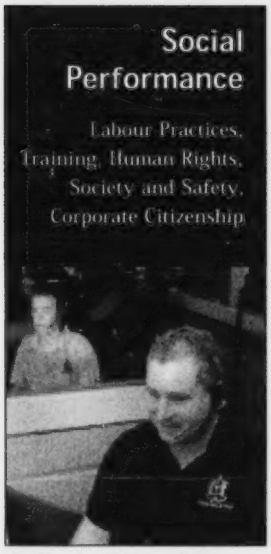
■ **Sold Prepaid Parking Cards**

As part of the City's Parking Strategy, 1,900 new parking meters were installed that allow use of a Parking Card that refunds unused time, increasing convenience for parkers unsure of the amount of time they require. Success of this program is evidenced by the 4,000 cards sold in 2003.

■ **Streamlined Monthly Parking**

A review of business processes improved service to the 1,000 monthly parkers using the City Parkades through new payment options and a pass.

A Parking Services staff member demonstrating a prepaid parking card.



Staff at the Victoria Police Department Communications Centre.

DID YOU KNOW...

- The City Archives is home to some 350,000 photographs.

A firefighter driver operating the aerial ladder.

Social capital, while likely the most subjective of all three forms, is probably the most important form of capital contribution. Social capital comes in two forms: human capital (the investment in staff) and social system capital.

■ Improved Employee Safety and Attendance

Through corporate led initiatives and awareness training around employee safety and attendance management, the City substantially reduced costs and increased employee productivity in 2003.

■ Completed Human Resources Module of JD Edwards

2003 saw the completion and implementation of the newly developed human resources portion of the JD Edwards corporate computer system which creates the foundation for future employee information and data management.

■ Renegotiated Electrical Collective Agreement

Renegotiated a major revision of the International Brotherhood of Electrical Workers collective agreement, which now runs for four years, ending December 31, 2006.

■ Continued Interest in Archive Records

Over 3,000 research inquiries and personal visits were made to the City Archives. Archives also remained one of the most popular areas of the City's website. Significant donations for 2003 included the personal papers of former Councillor and Mayor, Alf Toone, and the records of the Victoria Outdoor Club.

■ Created "Victoria's Victoria" Website

The City Archives partnered with the University of Victoria's History Department to produce "Victoria's Victoria", a website focusing on the history of the City during the reign of Queen Victoria (http://web.uvic.ca/vv/).

■ Increased Use of Aquatic Programs and Services

The Crystal Pool and Fitness Centre responded to increased attendance for programs and services as a result of temporary closures at five other aquatic program sites within the region. The Crystal also completed an exterior beautification project with assistance from the Parks Division to provide a more aesthetically pleasing entrance to the facility.

■ Continued Fire Prevention

The Fire Department continues to deliver a proactive fire prevention program using public safety education and code enforcement procedures to reduce fire losses, deaths and injuries, and to enhance the fire safety awareness level of our citizens. Fire prevention officers conducted over 64 lectures and demonstrations to over 10,800 people while inspectors conducted 7,900 building inspections.

■ Improved Fire Education

Effective fire prevention and public safety education have a direct and substantial impact on reducing the number of fires. In 2003 the number of structure fires continued to decline as did all other fire incident types in Victoria and for the second year in a row, there were no fire deaths.

■ Provided Utility Awareness Training

The Engineering Department continued a focus on safety and protection of workers and City infrastructure by providing utility awareness training to 120 staff. Prior to the start of construction underground utility checks are a safety standard requirement.

■ Improved Customer Service

The Engineering Department started a pilot Customer Service Report Card Program, to gauge the satisfaction level of after hours emergency service provided to our citizens. The plan is to expand the program and continue making customer service a major focus in 2004.

■ Continued Fire Protection

The Fire Suppression Division continues to provide an effective firefighting service to the citizens of Victoria. The most widely accepted measure of the Fire Department's effectiveness is how often they can contain fires to the room in which fire broke out. This measurement is expressed as the percentage of fires that were held to the room of origin and kept from spreading beyond this point. This year, 79 per cent of structure fires were contained to the room of origin.

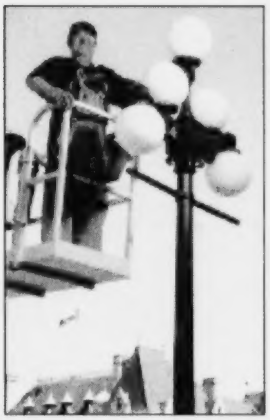
■ Supported Ambulance Services

The Victoria Fire Department, in partnership with the British Columbia Ambulance Service, continues to provide pre-hospital care to our citizens through the First Responder Program.

DID YOU KNOW...

- Every day 17 fires causing damage occur in British Columbia.
- People aged 1 to 14 years have the second highest incidence of burn injuries from fire.
- Fires cause approximately $430,000 damage each day in BC.
- The majority of fire injuries occur in private dwellings.
- Having a working smoke alarm in your home cuts your risk of dying in a fire by half.

Firefighters demonstrating a Ferno stretcher which is used for confined space and high angle rescues.



An Engineering staff member repairing cluster lights.

DID YOU KNOW...

- Approximately 52 per cent of all residents commute less than 5 km to their place of work.

■ **Conducted a Citizen's Survey**

In October 2003 an eight page survey was mailed to 1,400 randomly selected City of Victoria citizens. The purpose of the survey was to investigate what citizens thought about their quality of life in their communities and in the downtown area, local government's delivery of services and facilities, and the value they were receiving for their taxes. 544 completed surveys were received, giving a high response rate of 39.7 per cent. Results of the survey will be released in early 2004.

■ **Continued School Education Programs**

The Fire Department partnered with South Park Family School to develop emergency vehicle awareness and a safety program for students as Fire Station #2 is located beside this school. This successful program, which is called "Being a Good Neighbour", has been taught to hundreds of students. Work continues to expand this program into other school districts.

■ **Supported Planning and Development Department Staff Development**

The Planning and Development Department continues to support staff development and the investment of time and resources into the community. Staff within the four divisions took part in a variety of training programs in 2003:

- Emergency/Disaster Recovery Exercise
- Emergency Program Incident Command Training
- Communications Skills
- Facility Planning and Project Management
- Conflict Resolution
- Leadership Training
- In-House Computer Training
- Statistics Canada Census Data Analysis
- Advanced Education in Economic Development
- Brownfield/Contaminated Site Remediation

■ **Completed Policies to Support Social System Capital Investment**

Affordable housing policies completed in 2003 by the Planning and Development Department include legal conversions, compliance or closure of specific properties and the Gonzales zoning update to facilitate conversions. In progress are the Gorge Road Motel Housing Conversion Policy and the Accessible Housing Policy.

■ **Completed Regulatory Controls**

The Planning and Development Department established the Victoria Coordinated Enforcement Team, hired a new contractor for Animal Control Services and completed regulatory development policies including:

- Beer/Liquor/Wine Store Regulations and Rezoning Policy
- Casino Rezoning Policy
- Bed and Breakfast Compliance Program
- Good Neighbour Agreements for Liquor-Licensed Businesses

In Progress

- Illegal Parking Lot Compliance Program
- Provincial Task Force—Electrical Safety Act and Safety Regulations
- Participation on Underwriters Laboratories of Canada Advisory Council

■ Supported Revitalization Projects

The City completed a number of projects in 2003 related to revitalization including:

- Harris Green Charette Review
- Planning Policy Consolidation for Fairfield
- Centennial Square Phase 2
- Interdisciplinary Arena Committee (Public Art, Neighbourhood Liaison)
- Participated in the Regional Economic Strategy
- Supported Phase 1 of the Downtown 2020 Conference

In Progress:

- Tax Incentive Program
- Update Cathedral Hill Development Policy
- Update Humboldt Valley Development Policy
- Bastion Square Phase 3
- Commercial Use of Public Space Review

■ Implemented a Conference Centre First Aid and Emergency Response Plan

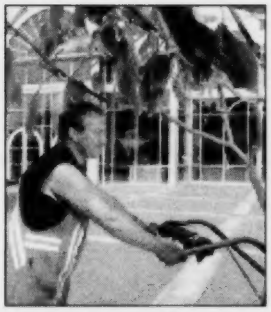
A First Aid and Emergency Response Plan was implemented for the Victoria Conference Centre to assure safety, security and comfort for employees and clients in the event of an emergency.

■ Developed Conference Centre Employee Handbook and Performance Management

In 2003 the Victoria Conference Centre developed an employee handbook to clearly communicate the Centre's policies to staff. A competency based performance management system was also developed and implemented with all staff.

■ Supported Disaster Recovery with Thin-Client Technology

Use of thin-client technologies allows for the incorporation of disaster recovery and business continuation techniques without incurring additional costs. Once complete, the City should be able to continue to meet required business functions in the event of losing any single City location.



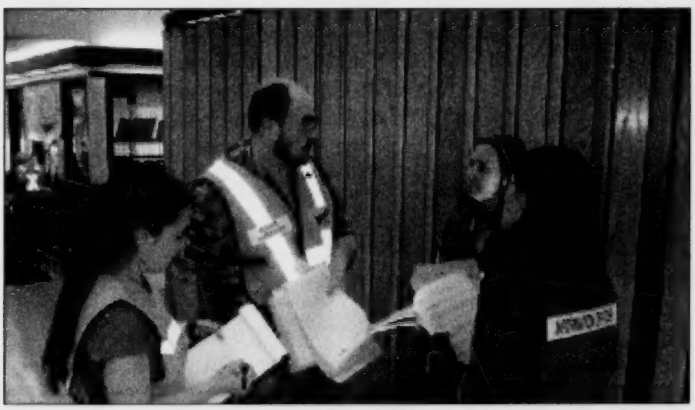
New tree being installed at the Victoria Conference Centre.

■ Improved and Expanded City Emergency Program

The mandate of the Emergency Program is to plan for, and respond to, extraordinary emergencies in our community. The Program has been active in preparing individuals, City departments, and organizations within the City to better prepare for the variety of hazards that can affect the community. Public awareness about emergency planning and preparedness efforts included: public displays in malls, schools and markets; personal preparedness workshops to businesses, government and the general public; safety reviews and assistance with internal emergency plans for several organizations; and several media appearances. A high profile activity held in 2003 was an exercise held at the Royal Jubilee hospital involving three municipalities and several response agencies.

There are five components to the Emergency Program, most of which are staffed by volunteers. Each of these components improved its delivery of service in 2003. Collectively these volunteers provide approximately $200,000 of direct value to the City. In addition, these well-trained people are available to the City in times of need.

- Auxiliary Communications: This group, tasked with providing an alternate communications link to the City had such highlights as increased equipment supplies through donations of equipment, improvements to the fire hall radio station, increased training within its group and increased membership.
- Emergency Operations Centre: Staff at this facility provide a coordination centre in times of need. In 2003, two parallel computer networks were installed, allowing laptops to be connected into the Internet and City network. Four thin-client workstations were also installed, maps for emergency management were improved and updated and some Police Department employees have volunteered to assist with the Emergency Operations Centre and its development.



Volunteer and City Command Staff at an evacuation exercise at the CNIB Building.

- Emergency Social Services: This group is tasked with assisting those forced to leave their homes due to some form of evacuation. In 2003 the team had 16 responses (including two large apartment fires) and directly assisted 137 people. Seven team members attended the fires in the Interior, contributing 62 days of service. Continued training and recruitment efforts have resulted in a total team of approximately 100 people.
- Neighbourhood Program: This group is tasked with training the general public in emergency preparedness. 2003 saw excellent growth in this program. The number of participants increased with 60 block captains now trained. Active training continued for the general public last year with several workshops, including training in personal preparedness, first aid and fire extinguisher use. Victoria's Neighbourhood Program continues to be seen as a model to emulate by some other communities in the region.
- Search and Rescue: This group is tasked with providing search and rescue capability in both urban and wilderness scenarios. Training continues with emphasis in collapsed building rescue, first aid, and wilderness Search and Rescue. In 2003 the group participated in three high profile searches in Sooke, Observatory Hill and Rithets Bog.

■ Supported City Staff Volunteer Emergency Efforts

Several internal City efforts support emergency planning and response efforts. The Emergency Management Team, comprised of City staff members from several divisions, has been increasingly active as they work on the Emergency Program policies. Several City staff have been trained in the principles of the Incident Command System and Emergency Wardens.

■ Implemented Emergency Program Planning for Hazards

New planning initiatives are being developed related to such hazards as SARS, terrorism, Chemical/Biological/Radiological/Nuclear events and hazardous materials.

Emergency Social Services Public Education program at Quadra Elementary School during Emergency Preparedness Week in May 2003.

A new addition to the City's mid-block walkway and cross - walk system (beside the new CRD Building on Fisgard Street) to improve mobility in and around downtown.

DID YOU KNOW...

- The Concrete Section used a total of 2,160 m^3 of concrete to reconstruct and repair sidewalks.

Engineering staff removing graffiti from a control box downtown.

■ **Upgraded Crosswalks**

In 2003, the City upgraded existing crosswalks at Richmond and Chandler and Quadra at Topaz. Both these upgrades were focused on enhancing safety for school children.

■ **Identified Chambers Street Traffic Calming Priorities**

As part of the City's Neighborhood Transportation Management Program Chambers Street was identified as a narrow street with inadequate sidewalks that is used as a primary walking route for school children and that carries relatively heavy volumes of traffic. This two-phase project (2003 and 2004) attempts to calm traffic by constructing a series of corner bulbs, (some with landscaping) and alternating parking from one side to the other, creating a chicane effect. Additionally, a new sidewalk is being constructed on the eastside to enhance walking opportunities for pedestrians. More recently Chambers Street was identified as a greenway in Victoria's newly adopted Greenways Plan.

■ **Continued Facility Planning and Project Management**

Planning and design advanced for several Community Centres and Seniors Facilities. Construction projects involved renovations and modifications to Seniors' Buildings, City offices, Fire Halls and the Police Station.

■ **Received American Public Works Association Management Innovation Award**

In 1997 the City's Sewer Utility Section became involved in a pilot benchmarking project designed to compare products, services and practices with other municipalities and Regional Districts with the ultimate goal of improving quality and performance. As a result of this initiative in 2003 the City of Victoria, along with the other participating Canadian Municipalities, received the American Public Works Association "Management Innovation Award". This award is recognized internationally for excellence in innovation.

■ **Decreased Graffiti**

During 2003 the City enforced the Graffiti Bylaw, working cooperatively with residents and businesses to maintain public property in a graffiti free state.

■ **Undertook Community Profile Analysis**

In 2003 a Community Profile project was initiated to update socio-economic data and analysis of the City and its 13 neighbourhoods. The project compares census data and trends over 1991, 1996 and 2001. The profile highlights a variety of information including population, dwellings, income and economy and will be available in print and through the City's website in 2004.

■ **Launched a Downtown Action Plan**
Launched and implemented the Downtown Action Plan in co-ordination with the Mayor's Office, the Vancouver Island Health Authority (VIHA) and the Victoria Police Department. The plan identified six short-term actions and four long-term actions targeted to improving access to detoxification, treatment and mental health services; increasing the supply of transitional and long-term affordable housing; and intensifying law enforcement for drug trafficking, thereby addressing public safety in downtown Victoria.

■ **Established Neighbourhood Liaisons**
Launched a proactive method to communicate with each City neighbourhood by assigning staff to work with them. Community Development staff liaise with Neighbourhood Associations and community groups, providing leadership, expertise and information that builds closer relationships within our communities.

■ **Continued Summer Celebrations in Centennial Square**
Entered into a three-year partnership with the Inter-Cultural Association of Greater Victoria to produce the Open Air in the Square summer program in Centennial Square. Folkfest returned to the Square and 36,579 people of all ages attended the activities, which included a weekly urban market, retro movie night, vintage dance series and Shakespeare Theatre as well as a series of popular high profile, ticketed concerts.

■ **Increased Music in Beacon Hill Park**
Programmed and permitted a variety of outdoor musical concerts and events in the Cameron Bandshell in Beacon Hill Park. Audiences reached over 32,000, representing a 7,500 increase over 2002.

■ **Built on Victoria's Reputation as the City of Festivals and Celebrations**
Supported the return of annual downtown festivals and celebrations including Folkfest, Blues Bash, JazzFest, Dragon Boat Festival, Independent Film and Video Festival, Festival Uno and the Fringe Festival, TerrifVic Jazz, Latin Caribbean Festival, Victoria Day and Santa Parades and the Inner Harbour Symphony Splash. New for 2003 were the Victorian Christmas Festival, Asian Heritage and Open Air in the Square. These events contributed positively to the vitality of the City's downtown core and our community's well being and economic health.

■ **Improved Special Event and Film Permitting Process**
Improved and streamlined the process for obtaining special event permits via the City's website. The complexity and size of these events grew in 2003. One of the largest crowd pleasers (30,000-40,000 spectators) was the renowned Snowbirds' aerial performance over Dallas Road in July. Feature films shot in Victoria increased with 37 permits issued for various locations in the community. This signifies an important contribution to the local economy, which the Parks, Recreation and Community Development Department has strived to facilitate and promote.

A Victoria Police Reserve doing needle pickup as part of the Downtown Action Plan.

DID YOU KNOW...

- Close to 150 special events were permitted for the streets of Victoria in 2003.
- The number of feature film shoot locations in Victoria climbed from 2 to 37 in 2003.

Mayor Alan Lowe having a discussion with Reverend Al Tysick from the Open Door.

DID YOU KNOW...

- Over 750 children participated in day-camps, outdoor adventure camps, sports camps and specialty camps run by the Crystal Pool and Fitness Centre.

Victoria West's Youth Skate Park.

■ Continued Work on the Homelessness Initiative

Community Development Division Staff represented the City of Victoria on the Victoria Homelessness Steering Committee, which implemented the second phase of funding for projects addressing homelessness. The Victoria Homelessness Steering Committee recommended ten projects to be funded through the National Homelessness Initiative that accounted for the full allocation of $1.2 Million. The Homelessness Assets and Gaps database was also updated to reflect changes since 2000.

■ Continued the City's Partnership For Youth Outreach

Community Development Division Staff guided the completion of the three-year Mobile Youth Services Team project aimed at providing early intervention to youth who are believed to be at risk of recruitment into prostitution. The report, *Wanted: Vulnerable Youth and Children*, released by the City in 1997, spurred the creation of the Capital Region Action Team (CRAT), of which the City is a member. CRAT was instrumental in securing approximately $2.8 Million of federal funding and in-kind support to address this urgent issue. A final Community Plan was initiated in 2003 to continue the work of this project.

■ Expanded Youth Violence Prevention Programs

Victoria sponsored a workshop for parents called "Beyond the Hurt," in cooperation with the Red Cross and the Victoria West YM-YWCA, to provide tools to help their children deal with peer harassment and bullying. Working with the Township of Esquimalt, Community Development Staff encouraged the introduction of the Block Watch program into Victoria West and supported the goals of the Rock Solid program, which works to prevent youth violence in the community.

■ Introduced Skate Park Lessons

Recreation Services staff introduced structured skate lessons for youth aged eight to 13 with Skate Park Host, Jimmy Miller who is known for implementing a positive approach to helmet usage and has been instrumental in organizing youth to help keep the skate park clean. Local users have labeled the Victoria West Youth Park as the best skate park on the Island, and perhaps in all of BC.

■ Supported the Canadian Baseball League

Victoria hosted the Victoria Capitals, a member organization of the fledgling Canadian Baseball League (CBL) at Royal Athletic Park (RAP). The CBL was designed to be a Canadian-based baseball league, centered on an eight-team, east/west divisional format with the goal of developing Canadian talent. The Capitals were the model franchise for the league, both in strong community support and financial results. RAP shared in the financial success of the Capitals. Unfortunately, the other cities hosting CBL franchises did not achieve the same level of success and the league was forced to suspend the second half of the 2003 season.

■ **"Opened" and Beautified Royal Athletic Park**

For decades, the exterior fence of Royal Athletic Park (RAP) has been a ten-foot wooden fence. This past year, the fence was replaced with a heavy gauge eight-foot high chain link fence. A removable screening system will be put in place during ticketed events to ensure that these events can be best enjoyed by admission to the facility. Staff from Parks, Recreation and Commun-ity Development worked with the North Park Neighbourhood Association and the Public Art Advisory Committee to sponsor a Public Art Project calling for murals to be mounted on the RAP fencing on Vancouver Street. The murals will be unveiled in early 2004 featuring scenes related to the activities within RAP. The art will be an appealing addition to the neighbourhood as well as an excellent opportunity for artists in the community to showcase their talents.

Parks staff member remarking lines at Royal Athletic Park.

■ **Expanded Outdoor Recreation Programs**

Utilized an outdoor consultant and a recreation programmer to assist in planning new outdoor programs. With the inclusion of 'Outdoor Pursuits' in the City's Active Living Guide, attendance increased in 2003. This year's highlights included the successful Broken Island Kayak Tour, Mother's and Father's Day Paddles and the Children's Summer Specialty Camps.

■ **Launched the CLASS Project**

CLASS—a computerized recreational software system for facility booking, payment processing, program registration and memberships—was launched in 2003. This is a major step forward towards increasing information and accessibility to recreation in the City of Victoria. Future plans for the project include adding online registration and full departmental utilization of all program features for permitting, information management and program/facility usage analysis.

■ **Continued Partnerships with Community and Senior Centre Network**

Partnered in the delivery of recreation and community services with the Community and Senior Centres Network. Comprised of the Blanshard, Burnside-Gorge, Fairfield, Fernwood, James Bay, Oaklands and Vic West Community Centres as well as the Fairfield New Horizons, James Bay New Horizons and Silver Threads Seniors Centres, the City and this network provided programs, services and rental space for neighbourhood interests and needs.

■ **Invested in Burnside-Gorge**

In 2003 the City announced a major investment of $3.5 million for the development and construction of a new Burnside-Gorge Community Centre. This project, achieved in partnership with the City of Victoria, the Canada/British Columbia Infrastructure Program and Burnside Gorge Community Association, will provide a modern and community-focused facility in the Burnside-Gorge area and is targeted for completion in September 2005.

Environmental Sustainability

Water, Biodiversity, Transportation

DID YOU KNOW...

- Victoria has the highest ratio of park land per capita of any city in North America.
- Victoria City Council adopted the Greenways Plan in August 2003: A multi-department joint initiative with the goal of establishing a human powered transportation network, restoring native, aquatic and cultural habitats, and providing opportunities for recreation.
- The Electrical Section relocated two underground electrical kiosks and relamped 1,878 cluster lights and 1,397 High Pressure Sodium (HPS) lights.

The City of Victoria is famous for enjoying an exceptional quality of life, from the beauty and abundance of our natural environment to the heritage assets proudly preserved over the years. Victorians also recognize the importance of "walking lightly" to minimize our impact on the environment.

■ Continued the Dockside Redevelopment Project

Redevelopment of the Dockside lands will clean up environmental contamination of the groundwater and soil through a sustainable development concept, including triple bottom line accounting, Smart Growth, Leadership in Energy and Environmental Design (LEED), mixed land use and high quality public space.

■ Improved Victoria Conference Centre Building Efficiencies

In 2003 the Victoria Conference Centre Building Services and Operations continued to reduce operating expenditures and maximize revenue. This was achieved through building efficiencies such as the Power Smart Partner Program and by implementing more efficient scheduling of housekeeping and security staff.

■ Added Doggie Bags to Maintain the Parks Environment

The City completed an innovative partnership with a pet store and dog food manufacturer allowing the City to expand the availability of "doggie bags" in City parks in return for advertising on the bags and dispensers.

■ Switched to Longer Life Computers

Migration to thin-client computers allows the City to effectively use desktop computing hardware for six or more years which is double the normal lifespan of personal computer equipment, thereby substantially reducing the City's production of old equipment for disposal. Use of thin-client technology also reduces both power consumption and heat production of equipment by 80 per cent.

■ Implemented Energy Management in City Buildings

In 2003 the City implemented a Building Energy Management Plan with the overall objective of reducing energy costs and reducing the amount of greenhouse gases released into the environment. Lighting in four of the City's Parkades was replaced with new lights that provide better light, resulted in $29,000 savings in hydro costs and reduced power consumption by 25 per cent. BC Hydro paid 60 per cent of the cost. In addition to the hydro savings, greenhouse gas emissions were reduced by 420 tonnes. The City also received $18,000 from BC Hydro in E-Points from an Energy Efficiency Programs in 2002. These funds were used for a lighting retrofit at Fire Hall #1 at no additional cost to the City.

■ **Recycled 2,746 Tonnes of Asphalt**

The Roads and Bridges section of the Engineering Department recycled 2,746 tonnes of asphalt through the plant at Garbally Yard.

■ **Focused on Policies and Planning to Preserve the Environment**

Over the past year, the Planning and Development Department has focused on developing policies and plans that will preserve Victoria's environment and reflect the high standards we place on our quality of life.

Completed initiatives to preserve our natural environment:

- Greenways Plan
- Harbour Path Links for James Bay and North Downtown
- Quadra Streetscape Beautification Phase 2

In Progress

- Density Bonus Policy
- Green Buildings Policy

Completed initiatives to preserve our built environment

- Heritage Strategic Plan

In Progress

- James Bay–Official Community Plan amendment to apply Heritage Conservation area to Avalon-Huntington
- Federal Historic Places Initiative

Completed initiatives to reduce our impact on the environment

- Burnside/Vic West–implementation of Heavy Industrial Zone area reduction
- BC SPCA Noise issue resolved in Burnside-Gorge

In Progress

- Noise Management Plan and Bylaw implementation

■ **Implemented Alternative Fuels Initiatives**

The goal of the Alternative Fuels Initiative is to manage the City's fleet in a manner that allows the City to take advantage of existing and emerging technologies in alternative fuels. During 2003, six new natural gas powered vehicles were added to the fleet. The Fleet Division has also agreed to participate in a trial of a new bio-fuel being developed by a local company Wise Energy. Wise Energy's program is designed to divert waste organic greases, generated by the restaurant industry, from either the local water environment (sanitary sewers) or the landfills by converting them to a fuel grade bio-diesel product. If successful, bio-diesel could replace up to 20 per cent of our current petro diesel needs resulting in fewer vehicle emissions.

■ **Continued Solid Waste Management**

The Solid Waste Section collected 5,100 tonnes of residential waste and 2,000 tonnes of waste from other sections. They also recycled 415 tonnes of garden waste.

A Public Works staff member moving asphalt at the recycling plant in the Public Works Yard.

DID YOU KNOW...

- The Capital Pavement Program produced 1.8 km of paving using 3,657 tonnes of asphalt. This represents a paving cycle of 158 years.
- The Engineering Department recycles and re-uses over 2,200 litres of paint thinners per year.
- The Engineering Department recycled over 400 rechargeable batteries in 2003, diverting them from the landfill.

A Parks staff member tending to young native Oregon grape.

An Engineering staff member cleaning the sidewalk on Government Street.

DID YOU KNOW...

- The Concrete Section used a total of 2,160 m^3 of concrete to reconstruct and repair sidewalks.
- The Roads and Bridges Section responded to 318 citizens concerns in 2003 and generated 1,966 work orders for road repairs.
- Forty seven kilometres of cracks were repaired in City streets.

■ Kept Victoria's Streets Clean

The Street Cleaning Section assisted with special events that took place in the City by collecting eight tonnes of refuse. A total of 4.5 tonnes of cardboard was recycled in 2003 and in an ongoing effort to keep the City clean, the following was collected for disposal or recycling:

- 1,100 tonnes of litter from litter tubs
- 520 tonnes of street litter
- 1,600 tonnes of leaves
- 1,400 tonnes of dirt

■ Ended Jubilee Trial Road Closures

The closure of eight local streets in the Jubilee Neighborhood was originally supported by a majority of respondents to a neighborhood-wide survey conducted as part of the Jubilee Neighborhood Transportation Management Plan process in 1998. In 2003 the trial road closures were evaluated and modifications recommended to allow better circulation for area residents while still eliminating commuter cut-through traffic. Physical modifications began in December 2003 and will be completed in 2004.

■ Conducted a Traffic Management Plan for the Save-On-Foods Centre

Completed terms of reference, issued a request for proposal and administered a contract for the arena parking and traffic study. The results of this study will be used to implement a parking management plan on adjacent residential streets; develop a framework agreement on transportation demand management between RG Properties and BC Transit; and improve access to and from the new arena for pedestrians, cyclists and motor vehicles.

■ Launched an Employee Trip Reduction Program

The goal of this Engineering program is to reduce the number of single occupant vehicle trips made each day by employees commuting to and from work. An average of 120 vehicles were arriving at the Garbally Yard each day with only one occupant, but since November 2003, the number of single occupant vehicles arriving has been reduced by 12 per cent.

■ Adopted an Anti Idling Program

In partnership with the District of Saanich, the Engineering Department has adopted a program designed to reduce the amount of time municipal vehicles are allowed to idle unnecessarily. This program mainly involved providing employees information about the environmental effects of vehicle emissions and installing signs throughout the Garbally Yard. Prior to initiating the program, a baseline of fuel use was established for over 70 vehicles, which will be compared to the use during an identical period in 2004.

■ **Continued Implementing the Bicycle Master Plan**

As part of the ongoing implementation of the City's Bicycle Master Plan and in consultation with the Advisory Cycling Committee, staff installed new bike lanes on Finlayson Avenue between Cedar Hill Road and Cook Street. Additionally, a cost effective plan was completed to extend bike lanes on Finlayson from Quadra Street to Blanshard Avenue. This work is scheduled for completion in 2004.

■ **Established the Rock Bay Restoration Committee**

Water and Environment staff are actively participating in a committee formed in 2003 with a mandate to reduce the amount of contaminants reaching the storm drain systems discharging into Rock Bay. The vision conceived was to have "Rock Bay exist in an urban watershed that encompasses healthy, functioning ecosystems, provides habitat for fish and wildlife, and is a source of enjoyment and pride for residents and users." To date the committee has adopted a number of Best Management Practices and is actively promoting their use within the catchment area.

■ **Continued the Victoria Harbour Environmental Protection Program**

In 2003, 94 catch basins were rebuilt to a new standard designed with a larger pot for the purpose of trapping silt, along with a trapping hood to retain oils and other floatables. In addition a Vortechnics Stormwater Treatment Unit was installed on the outfall that discharges into Rock Bay. The overall objective of this program is to protect the shoreline and environment by addressing stormwater quality issues. This program focuses on pollution abatement and environmental remediation through the introduction of conveyance controls and "end of pipe" stormwater treatment.

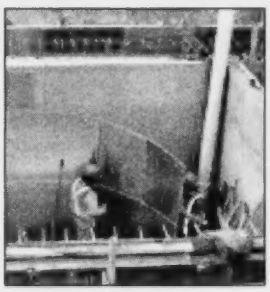
■ **Bowker Creek Management Plan**

In mid 2003 City Council received and adopted the Bowker Creek Watershed Management Plan. Members of the City's Water and Environment Division had actively participated in a process to develop a strategic plan to identify Bowker Creek as a community asset and to develop a long-term vision and action plan to preserve and enhance the waterway. The process was a collaboration between Victoria, Oak Bay and Saanich along with representatives of community groups and interested stakeholders.

■ **Purchased an Automated Irrigation System**

A Central Control Irrigation System will be used to track weather, calculate the amount of water lost through evapotranspiration and automatically adjust the irrigation to water only the amount of moisture lost. This system has the ability to shut down irrigation at all parks during rain and can also detect excess flow and shut down specific areas that have a broken line or head, thus saving time, labour and water.

Public Works staff adjusting a City bike rack in front of the Tourist Information Centre.



Installing a stormwater treatment unit for Rock Bay as part of the Victoria Harbour Environmental Protection Program.

An Engineering staff member testing water at Cecelia Creek.

■ **Restored Cecelia Ravine Park**

Cecelia Ravine Park was restored after flood control measures were completed, including "day lighting", or exposing a portion of the creek. A coalition of community groups and government agencies implemented a number of creative solutions to the flooding problem and significantly improved the water quality. To celebrate the restoration, a ceremony was held June 7, 2003 in Cecelia Ravine Park where Burnside School's Grade 4 students presented a model of the Cecelia Creek Watershed to the City of Victoria.

■ **Began Development of a Beacon Hill Park Heritage Landscape Management Plan**

The Parks Division retained a consultant to prepare a Heritage Landscape Management Plan for Beacon Hill Park. This study is part of a larger planning exercise to develop a management plan to guide the long-term future of Beacon Hill Park. Work associated with the Heritage Landscape component is divided into three phases: researching and collecting information about the cultural and heritage resources in Beacon Hill Park; evaluating the data, and using this information to produce the management plan. A draft report and open house to discuss the Heritage Landscape Management Plan will be held in the early spring of 2004.

■ **Continued Beacon Hill Park Pond Restoration**

Restoration of the ponds at Beacon Hill Park continued with additional aeration and new bacteria to fight the sludge problem in Goodacre Lake. A well was also drilled to top up the ponds, which until recently was done using reservoir water.

■ **Implemented a Street Tree Management Plan**

In 2003 the Parks Division implemented a Street Tree Management Plan, with the initial step of collecting an inventory of all boulevard trees and their condition. The plan will help identify potential hazards and planting locations, and assist in creating a proactive maintenance schedule, ensuring preservation of Victoria's beautiful urban forest.

A Parks staff member trimming a chestnut tree on Cook Street.

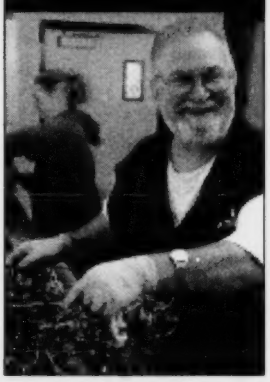
Vision

To be the most livable City in Canada.

Mission

To be exceptional stewards of our cultural and environmental assets and leaders in enhancing the social and economic vitality of our region.

Statement of Goals and Objectives



Parks staff assembling Victoria's renowned hanging baskets.

First Goal: Strengthen the Economic Vitality of Downtown

- Pursue arts, culture, and tourism opportunities.
- Improve downtown safety, security, cleanliness, and accessibility and increase business and conference activity.
- Promote downtown as a place of learning.

Second Goal: Enhance the Quality of Life for all Citizens of Victoria

- Develop a comprehensive housing strategy.

Third Goal: Promote a Green, Clean, Walkable and Safe City

- Promote alternate modes of transportation within the City of Victoria to improve mobility in and around the core and reduce the environmental impacts of motor vehicles.

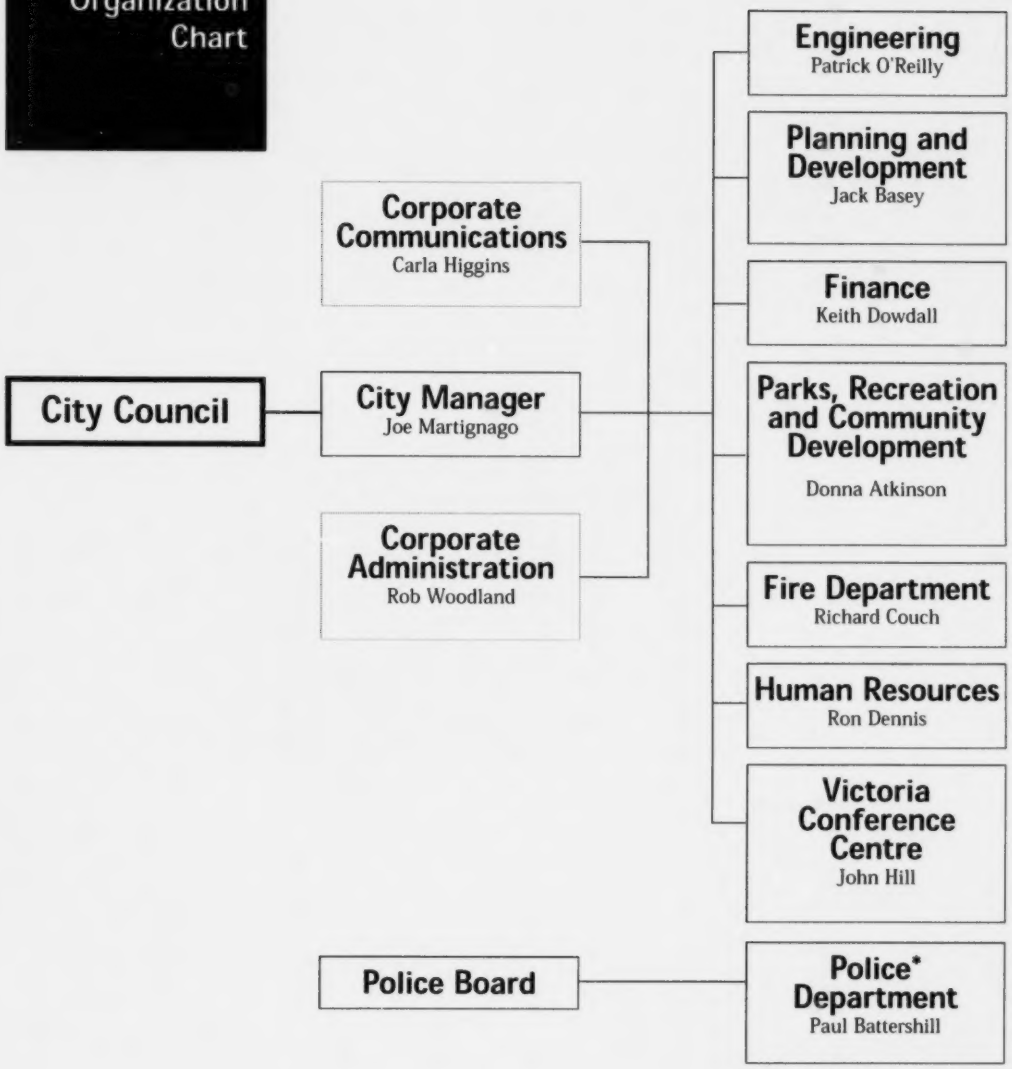
Fourth Goal: Improve the Quality of Civic Services

- Foster a high performance work environment.

DID YOU KNOW...

- The City of Victoria creates over 1,000 hanging baskets each year.

City of Victoria Corporate Organization Chart



** The Police Department reports to the Police Board which is chaired by the Mayor.*

2003 Victoria Police Board

Mayor Alan Lowe	Chair
Mayor Darwin Robinson	Deputy Chair
Walter Donald	Provincial Appointee
Bruce Gibson	Provincial Appointee
Ken MacLeod	Provincial Appointee
Tyna Mason	Provincial Appointee
Jannit Rabinovitch	Provincial Appointee
Maureen Meikle	City Appointee (Victoria)
Dave Staples	City Appointee (Esquimalt)

Victoria Police Marine Response Unit patrolling the harbour.

Mayor and Councillors 2002-2005

The Mayor and Council of the City of Victoria were each elected for a three-year term in the last municipal election held in November 2002. Each member is appointed to standing portfolios, City and regional committees and is responsible for a particular Victoria neighbourhood.

Mayor
Alan Lowe

Portfolio: Arts and Culture; Emergency Planning

Regional Committee:
Capital Regional District (CRD); CRD Arts Committee; Regional Transit Commission; Royal and McPherson Theatres Sub-committee of the Finance, Corporate and Inter-governmental Committee; CRD Hospital Board

City of Victoria Committee:
Victoria Conference Centre; Victoria Police Board

Councillor
Chris Coleman

Portfolio: Parks and Recreation; Finance/Personnel; Economic Development

Regional Committee:
Victoria Parks and Recreation Foundation; CRD Parks; Regional Growth Strategy

City of Victoria Committee:
Advisory Parks and Recreation Committee; Victoria Athletic Commission

Neighbourhood: Rockland/Blanshard/Hillside/Quadra

Councillor
Rob Fleming

Portfolio: Transportation; Finance/Personnel - Chair; Youth Liaison

Regional Committee:
CRD; CRD Water Supply System; Provincial Capital Commission; Greater Victoria Airport Authority

City of Victoria Committee:
Advisory Transportation Committee; Youth Liaison

Neighbourhood: James Bay

Councillor
Dean Fortin

Portfolio: Housing

Regional Committee:
CRD Water Supply System; Sludge Management Advisory Committee

City of Victoria Committee:
Advisory Housing Committee; CREST

Neighbourhood: Fernwood

Portfolio: Harbour; Finance/Personnel; Seniors Liaison

Regional Committee:
Board of Cemetery Trustees; Greater Victoria Labour Relations; Regional Transit Committee

City of Victoria Committee:
Seniors Liaison

Neighbourhood: Fairfield/Gonzales

Councillor
Bea Holland

Portfolio: Social Planning

Regional Committee:
Family Court; Greater Victoria Public Library Board; Capital Region Action Team on Sexually Exploited Youth

City of Victoria Committee:
Advisory Social Planning Committee; Honourary Citizens Committee

Neighbourhood: Oaklands

Councillor
Helen Hughes

Portfolio: Planning and Heritage

Regional Committee:
Provincial Capital Commission; Royal and McPherson Theatres Society

City of Victoria Committee:
Advisory Design Panel; Advisory Planning Commission; Heritage Advisory Committee; Public Art Advisory Committee; Victoria Civic Heritage Trust; Victoria Heritage Foundation

Neighbourhood: South and North Jubilee/North Park

Councillor
Pamela Madoff

Portfolio: Environment

Regional Committee:
CRD; CRD Environment Committee; CRD Roundtable on the Environment; Royal and McPherson Theatres Society; CRD Performance Measures Committee

City of Victoria Committee:
Environment and Shoreline Advisory Committee; Advisory Cycling Committee

Neighbourhood: Victoria West/Burnside/Gorge

Councillor
Denise Savoie

Portfolio: Downtown

Regional Committee:
CRD Water Supply System; Tourism Victoria

City of Victoria Committee:
Downtown Advisory Committee

Neighbourhood: Downtown/Harris Green

Councillor
Charlayne Thornton-Joe

Summary of Services and Regional Relationships

The City of Victoria is responsible for the provision of a wide variety of local government services and regulatory duties. These include:

Service Provision	Regulation
Policing	Land Use
Fire Protection	Design Review
Parks	Heritage Preservation
Local Roads	Subdivision
Sidewalks	Business Licensing
Street Lights	Building Permits and Inspection
Recreation	Commercial Vehicle Licensing
City Planning	Dog Licensing
Social Planning	Streets and Traffic
Garbage Collection	Fire Prevention
Water Distribution	Environment
Sanitary and Storm Sewers	Nuisances
Victoria Conference Centre	

The City of Victoria is one of thirteen (13) members of the Capital Regional District (CRD) that provides and coordinates selected local, regional and municipal services.

Community Health
Management and Supply of Water Resources
Environmental Waste Management
Affordable Housing
Solid Waste Landfill
Sewage Treatment

Typical local government services that are not an assumed responsibility of the City of Victoria include:

Service	Responsibility
School System	Local School Board
Social and Health Programs	Provincial Government
Hospital Care Systems	Provincial Government
Real Property Assessments	BC Assessment Authority
Employee Pension Plan	Municipal Superannuation Plan
Debt Marketing	Municipal Finance Authority
Public Library System	Greater Victoria Public Library

Message from the Director of Finance

April 23, 2004

Director of Finance
Keith Dowdall

The City of Victoria's Annual Report contains the annual financial statements of the City, prepared in accordance with Section 328 of *The Local Government Act*. These financial statements include the consolidated statement of financial position of The Corporation of the City of Victoria as at December 31, 2003 and the related consolidated statements of financial activities, changes in financial position, and changes in the reserve, operating and capital funds and the fund balances for the year.

The Annual Report of the City of Victoria provides important information about the overall financial condition and activities of the City. The information forms a comprehensive picture used by City Council and other levels of government, as well as by other interested readers including the citizens of Victoria, other municipalities and the media.

The year 2003 resulted in an improved municipal position ($17.2 Million) due to an increase in reserve funds ($12.4 Million)—largely from prefinancing the new multipex arena, an increase in the equity in physical assets ($4.1 Million) and a net surplus in the operating funds ($.7 Million).

The City's revenue increased by $3.8 Million mainly due to an increase in property taxes ($4.4 Million). Our largest expenditure increases were in the protective services ($7.4 Million), parks, recreation and cultural services ($3.5 Million) and general government ($2.5 Million).

In 2003 the municipal property tax increase amounted to 5.98 per cent mainly due to salary and benefit obligations, the cost of inflation on the goods and services the City purchases and increases in capital funding. In addition, the 2003 property tax increase absorbed the financing for the new multiplex arena.

A highlight of the year was the successful implementation of the financial and inventory/procurement modules of the new Enterprise Reporting System that became operational at the beginning of 2003. In addition, development continued to implement the Payroll/Human Resource module which went live at the end of 2003 and was operational in time to produce the first payroll of 2004.

The City of Victoria is financially stable and well managed. However, challenges ahead will create more pressures on the operating and capital budgets. City Council has been fiscally responsible in developing policies to increase the City's reserves, has recognized and addressed outstanding liabilities, and has avoided the use of debt for all but major capital projects—at the same time bringing in acceptable level of tax increases.

Finance Department

#1 Centennial Square
Victoria, British Columbia
V8W 1P6

Tel (250) 361-0235
Fax (250) 361-0278

In closing, I would like to thank all those who contributed to a successful year in 2003 and have worked together to make Victoria the most livable City in Canada. I would like to acknowledge City Council, Department Heads and staff in all the City Departments and in particular staff in the Finance Department, who have demonstrated a high level of professionalism and dedication in their performance over the past year.

Keith Dowdall
Director of Finance

Audited Financial Statements of the Corporation of the City of Victoria

Year ended Dec 31, 2003

Financial Reporting Responsibility

The accompanying statements of The Corporation of the City of Victoria are the responsibility of management. To ensure their integrity, objectivity and reliability, management has selected appropriate accounting policies that are in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The financial statements necessarily include some amounts that are based on estimates and the judgment of management with appropriate consideration to materiality.

The City's accounting systems and related internal controls and supporting procedures are designed and maintained to provide reasonable assurance that financial records are complete and accurate and that assets are safeguarded against loss from unauthorized use or disposition. The procedures include training and selection of qualified staff, the establishment of an organizational structure that provides a well-defined division of responsibilities, accountability for performance and communication of standards of business conduct.

The Municipal Council, acting through its Finance and Human Resources Committee and the Committee of the Whole, oversees management's responsibilities for the financial reporting and internal control systems. The Committees meet periodically with management and the independent auditors to satisfy themselves that management's responsibilities are properly discharged, to review the consolidated financial statements and to recommend approval of the consolidated financial statements to Council.

KPMG LLP, Chartered Accountants, the independent auditors appointed by the City have examined these financial statements and issued their report which follows. The auditors have full and unrestricted access to the Council to discuss their audit and their related findings as to integrity of the financial reporting process.

R Keith Dowdall.

Keith Dowdall
Director of Finance

Auditors' Report to the Mayor and Councillors of the Corporation of the City of Victoria

We have audited the consolidated statement of financial position of The Corporation of the City of Victoria as at December 31, 2003 and the related consolidated statements of financial activities, changes in reserve funds and changes in financial position and the operating funds and capital funds consolidated statements of financial activities and fund balances for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

KPMG LLP
Chartered Accountants
Victoria, Canada
April 2, 2004

KPMG LLP
Chartered Accountants

St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7

Telephone (250) 480-3500
Telefax (250) 480-3539
www.kpmg.ca

THE CORPORATION OF THE CITY OF VICTORIA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION — STATEMENT A

December 31, 2003, with comparative figures for 2002

	2003	2002
Financial Assets		restated (note 19)
Cash and short-term investments (note 2)	$ 40,507,916	$ 22,096,889
Property taxes receivable	2,684,395	3,224,003
Accounts receivable	7,987,882	8,470,877
Other assets	980,115	838,642
Inventories for resale	6,229	7,121
Property acquired for taxes	7,956	114,292
Long-term investments (note 3)	14,673,479	14,130,014
Total financial assets	66,847,972	48,881,838
Liabilities		
Accounts payable	10,175,050	8,205,740
Prepaid property taxes	1,506,017	1,002,570
Deferred revenue	906,054	828,608
Other liabilities	5,274,287	2,770,326
Employee benefit obligations (note 4)	7,864,374	8,001,048
Capital lease obligations (note 5)	256,444	461,794
Long-term debt (note 6)	43,890,262	27,757,866
Total financial liabilities	69,872,488	49,027,952
Net financial liabilities	(3,024,516)	(146,114)
Physical assets (note 7)	362,389,890	342,333,189
Total net financial liabilities and physical assets	359,365,374	$ 342,187,075
Municipal Position		
Operating Funds (Statement C) (note 8)	13,207,018	$ 12,494,586
Capital Funds (Statement D)	-	-
Reserve Funds (Statement E) (note 10)	34,967,497	22,532,410
Unfunded employee benefit obligations (note 4)	(7,052,325)	(6,953,450)
	41,122,190	28,073,546
Equity in physical assets (note 9)	318,243,184	314,113,529
Total municipal position	$ 359,365,374	$ 342,187,075

Commitments and contingencies (note 17)
See accompanying notes to financial statements.

R Ken Goodall

Approved by the Director of Finance

Approved by the Comptroller

THE CORPORATION OF THE CITY OF VICTORIA

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES — STATEMENT B

Year ended December 31, 2003, with comparative figures for 2002

	Budget 2003	Actual 2003	Actual 2002 restated (note 19)
Revenues:			
Net taxes available for municipal purposes (note 11)	$ 68,713,642	$ 69,041,260	$ 64,640,205
Net grants in lieu of taxes available for municipal puposes (note 12)	3,596,700	4,179,958	4,013,680
Sales of goods and services	24,440,858	26,050,428	26,595,799
Sale of water	10,049,425	9,176,035	9,873,161
Licences and permits	3,074,000	3,173,123	3,134,697
Fines	2,850,000	3,956,265	3,099,196
Rentals and leases	600,000	773,600	646,824
Interest and penalties	1,532,100	2,393,412	2,157,829
Unconditional government transfers (note 13)	480,000	481,813	404,021
Conditional government transfers (note 13)	7,575,256	1,157,829	1,376,879
Development cost charges	88,000	80,000	-
Actuarial adjustment on debt	-	840,649	714,278
Miscellaneous	2,040,450	2,881,741	3,738,782
	125,040,431	124,186,113	120,395,351
Expenditures (note 14):			
General government	24,866,531	22,322,871	19,854,070
Protective services	41,490,866	43,192,007	35,824,603
Transportation services	14,526,437	12,504,036	13,980,530
Environmental and public health services	7,911,460	8,105,200	6,758,520
Community planning	1,156,789	1,144,998	1,092,701
Parks, recreation and cultural services	40,263,950	27,193,118	23,645,326
Water utility	9,652,248	9,434,671	9,851,871
Sewer utility	2,990,058	3,068,740	2,994,372
	142,858,339	126,965,641	114,001,993
Excess (deficiency) of revenues over expenditures	(17,817,908)	(2,779,528)	6,393,358
Debt proceeds	14,398,764	20,000,000	4,239,059
Debt principal repaid	(3,032,921)	(3,026,955)	(2,720,233)
Debt principal reduced by actuarial valuation	-	(840,649)	(714,278)
Capital lease proceeds	-	103,544	177,593
Capital lease principal repaid	-	(308,893)	(428,980)
Unfunded employee benefit obligations (note 4)	-	(98,875)	(1,933,686)
Change in fund balance	$ (6,452,065)	$ 13,048,644	$ 5,012,833

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF VICTORIA

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES AND FUND BALANCES

OPERATING FUNDS — STATEMENT C

Year ended December 31, 2003, with comparative figures for 2002

	Budget 2003	Actual 2003	Actual 2002
Revenues:			
Taxes	$ 68,713,642	$ 69,041,260	$ 64,640,205
Payments in lieu of taxes	3,596,700	4,179,958	4,013,680
Sale of goods and services	23,630,196	25,143,977	23,191,755
Sale of water	10,049,425	9,176,035	9,873,161
Licences and permits	3,074,000	3,173,123	3,134,697
Fines	2,850,000	3,956,265	3,099,196
Rentals and leases	600,000	773,600	646,824
Interest and penalties	1,532,100	2,393,412	2,157,829
Unconditional government transfers	480,000	481,813	404,021
Conditional government transfers	230,000	250,565	385,091
Miscellaneous	2,040,450	2,881,741	3,738,782
	116,796,513	121,451,749	115,285,241
Expenditures:			
General government	20,389,731	20,129,716	19,494,520
Protective services	40,322,185	42,450,942	35,387,923
Transportation services	8,251,636	7,837,758	8,450,279
Environmental and public health services	5,483,075	5,747,644	5,113,062
Community planning	1,156,789	1,144,998	1,092,701
Parks, recreation and cultural services	19,015,186	19,928,472	21,116,940
Water utility	7,688,021	7,703,901	7,600,693
Sewer utility	1,464,396	1,605,463	1,920,796
	103,771,019	106,548,894	100,185,914
Excess of revenues over expenditures	13,025,494	14,902,855	15,099,327
Debt principal repaid	(3,032,921)	(3,026,955)	(2,720,233)
Capital lease principal repaid	-	(308,893)	(428,980)
Net transfers to Capital Funds	(7,236,088)	(6,804,671)	(6,186,248)
Net transfers to Reserve Funds	(2,507,438)	(4,049,904)	(3,641,495)
	(12,776,447)	(14,190,423)	(12,976,956)
Change in Operating Funds balances	249,047	712,432	2,122,371
Fund balances, beginning of year (note 19)	13,317,404	12,494,586	10,372,215
Fund balances, end of year (note 9)	$ 13,566,451	$ 13,207,018	$ 12,494,586

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF VICTORIA

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES AND FUND BALANCES

CAPITAL FUNDS — STATEMENT D

Year ended December 31, 2003, with comparative figures for 2002

	Budget 2003	Actual 2003	Actual 2002
Revenues:			
Sale of goods and services	$ 810,662	$ 906,451	$ 3,404,044
Conditional governmental transfers	7,345,256	907,264	991,788
Development cost charges	88,000	80,000	-
Actuarial adjustment on debt	-	840,649	714,278
	8,243,918	2,734,364	5,110,110
Expenditures:			
General government:			
Buildings	3,000,000	910,100	1,043,647
Machinery and equipment	1,476,800	1,283,055	1,971,239
	4,476,800	2,193,155	3,014,886
Protective services:			
Buildings	180,000	185,028	29,426
Machinery and equipment	988,681	556,037	407,254
	1,168,681	741,065	436,680
Transportation services:			
Engineering structures	3,802,041	2,718,076	2,141,622
Machinery and equipment	2,472,760	1,947,302	724,293
	6,274,801	4,666,278	2,865,915
Environmental and public health services:			
Engineering structures	2,428,385	1,866,556	1,645,458
Land	-	491,000	-
	2,428,385	2,357,556	1,645,458
Parks, recreation and cultural services:			
Engineering structures	2,548,000	619,766	1,162,597
Buildings	16,820,764	6,179,422	893,869
Machinery and equipment	1,880,000	465,458	398,920
Land	-	-	73,000
	21,248,764	7,264,646	2,528,386
Water utility	1,964,227	1,730,770	2,251,178
Sewer utility	1,525,662	1,463,277	1,073,576
Total expenditures	39,087,320	20,416,747	13,816,079
Excess of expenditures over revenues	(30,843,402)	(17,682,383)	(8,705,969)
Debt proceeds	14,398,764	5,770,679	-
Net transfers from Operating Funds	7,236,088	6,804,671	6,186,248
Net transfers from Reserve Funds	9,208,550	5,844,138	3,056,406
Actuarial adjustment on debt	-	(840,649)	(714,278)
Capital lease proceeds	-	103,544	177,593
	30,843,402	17,682,383	8,705,969
Change in Capital Funds balances	-	-	-
Funds balances, beginning of year	-	-	-
Funds balances, end of year	$ -	$ -	$ -

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF VICTORIA

CONSOLIDATED STATEMENT OF CHANGES IN RESERVE FUNDS — STATEMENT E

Year ended December 31, 2003, with comparative figures for 2002

	Budget 2003	Actual 2003	Actual 2002
Funds balances, beginning of year	$ 22,532,410	$ 22,532,410	$ 17,708,262
Add:			
Debt proceeds	-	14,229,321	4,239,059
Transfer from Operating Funds	2,507,438	4,049,904	3,641,495
Transfer from Capital Funds	-	153,015	2,562,607
	2,507,438	18,432,240	10,443,161
Deduct transfer to Capital Funds	9,208,550	5,997,153	5,619,013
Change in Reserve Funds balance	(6,701,112)	12,435,087	4,824,148
Funds balances, end of year (note 10)	$ 15,831,298	$ 34,967,497	$ 22,532,410

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF VICTORIA

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION — STATEMENT F

Year ended December 31, 2003, with comparative figures for 2002

	2003	2002
Cash and short-term investments provided by (used for):		
Operations:		
Excess (deficiency) of expenditures over revenues	$ (2,779,528)	$ 6,393,358
Decrease (increase) in non-cash financial assets:		
Property taxes receivable	539,608	118,005
Accounts receivable	(339,005)	(3,200,815)
Other financial assets	41,459	(493,828)
Property acquired for taxes	106,336	(49,900)
Increase (decrease) in short-term liabilities:		
Accounts payable	1,969,310	(1,035,122)
Other financial liabilities	3,724,815	2,219,192
Employee benefit obligations	(235,549)	253,021
	3,027,446	4,203,911
Investing:		
Increase in long-term investments	(543,465)	(334,096)
Actuarial adjustment on debt	(840,649)	(714,278)
	(1,384,114)	(1,048,374)
Financing:		
Debt principal repaid	(3,026,955)	(2,720,233)
Proceeds of new debt issue	20,000,000	4,239,059
Capital lease proceeds	103,543	177,593
Capital lease principal repaid	(308,893)	(428,980)
	16,767,695	1,267,439
Increase in cash and short-term investments	**18,411,027**	**4,422,976**
Cash and short-term investments, beginning of year	22,096,889	17,673,913
Cash and short-term investments, end of year	**$ 40,507,916**	**$ 22,096,889**

See accompanying notes to financial statemer

Notes to Financial Statements

Year ended Dec 31, 2003

THE CORPORATION OF THE CITY OF VICTORIA

The Corporation of the City of Victoria (the "City") is a municipality in the Province of British Columbia, Canada and operates under the provisions of the Local Government Act. The City provides municipal services such as police, fire, public works, engineering, planning, parks, recreation, community development, conference facilities and other general government operations.

1. **Significant accounting policies:**

The financial statements of the City are prepared by management in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the City are as follows:

(a) Reporting entity:
The consolidated financial statements reflect the assets, liabilities, revenues, expenditures, and changes in fund balances and in financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City.

Inter-departmental balances and organizational transactions are eliminated.

The statements exclude trust assets that are administered for the benefit of external parties (note 18).

(b) Basis of accounting:
The basis of accounting followed in the financial statement presentation is an accrual basis and includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenditures in the period the goods and services are acquired and a liability is incurred or transfers are due.

(c) Fund accounting:
Funds within the consolidated financial statements consist of the general operating, sewer operating, water operating, general capital, sewer capital, water capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balance.

(d) Land for resale:
Land for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for sale or servicing.

1. **Significant accounting policies (continued):**

(e) Long-term investments:
Investments are recorded at cost except for the investments in the Municipal Finance Authority of British Columbia Bond, Intermediate and Money Market Funds, which are recorded at cost plus interest earned and reinvested in the funds.

(f) Physical assets:
Physical assets, comprised of capital assets, land for future municipal purposes, capital work-in-progress and inventories of materials and supplies, are recognized as expenditures in the period they are acquired. Donated capital assets are reported at estimated fair value at the time of receipt.

Physical assets are carried on the consolidated balance sheet at cost.

Land for future municipal purposes is valued at cost. Inventories of materials and supplies are valued at the lower of cost and replacement cost.

The City does not reflect amortization of capital assets in the financial statements.

(g) Equity in physical assets:
Equity in physical assets represents the historical cost of those capital assets. Equity increases as physical assets are acquired without incurring long-term debt or, where such debt is incurred, by the reduction of that debt. Equity decreases as physical assets are written off on disposal.

(h) Reserve accounts:
Reserve accounts are established within the General Operating Fund to provide for the City's specific requirements. Transfers to and/or from reserve accounts are reflected as an adjustment to the respective accounts.

(i) Government transfers:
Government transfers are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(j) Foreign currency:
Monetary items denominated in U.S. dollars are converted to Canadian dollars for financial statement purposes at approximate exchange rates in effect at the reporting date. Non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenditures are translated at rates in effect at the time of the transactions. Gains and losses on foreign currency translations are included as revenues (expenditures).

(k) Use of estimates:
The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

2. **Cash and short-term investments:**

	2003	2002
Bank account balances	$ (949,591)	$ 1,189,480
Bankers' acceptances, special deposits, Municipal Finance Authority Bond and Money Market Funds	41,457,507	20,907,409
	$ 40,507,916	$ 22,096,889

3. **Long-term Investments**

	Cost		Market Value	
	2003	2002	2003	2002
Government and government guaranteed investments, investments guaranteed by a financial institution	$ 1,184,942	$ 1,385,518	$ 1,228,843	$ 1,590,905
Municipal Finance Authority Pooled Investment Funds	13,488,537	12,744,496	13,488,537	12,744,496
	$ 14,673,479	$ 14,130,014	$ 14,717,380	$ 14,335,401

Long-term investments excluding the Municipal Finance Authority of British Columbia Bond and Intermediate Funds have stated interest rates of 3.70% to 14.25% (2002 - 5.00% to 14.25%) with maturity dates from February 1, 2004 to July 22, 2013. The Municipal Finance Authority Pooled Investment Funds earn interest based on realized earnings of the funds and the market value for longer term investments and do not have set maturity dates. Funds can be withdrawn after a one-to-four day notice period.

4. **Employee benefit obligations:**

	2003	2002
Vested sick leave	$ 3,229,268	$ 3,558,228
One month's pay upon retirement	2,215,517	2,244,915
Accrued vacation	1,241,746	952,401
Accrued sick leave	1,055,293	1,092,235
Superannuation over-contributions	122,550	153,269
	7,864,374	8,001,048
Less funds held in reserve	812,049	1,047,598
Unfunded employee benefit obligations	$ 7,052,325	$ 6,953,450

4. **Employee benefit obligations (continued):**

Employee benefit obligations represent accrued benefits as at December 31, 2003.

Vested sick leave represents the sick leave entitlements of City employees. These credits are payable upon retirement and have been calculated using an actuarial methodology.

One month's pay upon retirement represents amounts owing to City employees upon retirement. These amounts have been calculated using an actuarial methodology.

Accrued vacation is the amount of vacation entitlement carried forward into the next year.

Accrued sick leave is the estimated liability for sick leave for City employees. These sick leave entitlements can only be used while employed by the City and are not paid out upon retirement or termination of employment. This amount represents the estimated liability based on historical usage.

The superannuation over-contribution liability represents amounts, including interest, owing to police officers and fire fighters for the employer's share of superannuation over-contributions. These amounts are payable upon retirement.

5. **Capital lease obligations:**

2004	$ 278,302
2005	18,884
Thereafter	-
Total minimum lease payments	297,186
Less amount representing interest at 15%	40,742
Present value of net minimum capital lease payments	$ 256,444

Total interest expense during the year was $46,068 (2002 - $70,439).

6. Long-term debt:

The City issues debt instruments through the Municipal Finance Authority, pursuant to security issuing bylaws under authority of the Local Government, to finance certain capital expenditures. Sinking fund balances, managed by the Municipal Finance Authority, are netted against related long-term debt.

Interest rates on long-term debt range from 5.37% to 10.25%. The weighted average interest rate for 2003 was 6.27%.

(a) Gross amount of debt and the amount of the sinking fund assets available to retire the debt are as follows:

	Gross debt	Sinking fund asset	Net debt 2003	Net debt 2002
General Capital Fund	$ 72,275,743	$ 29,201,555	$ 43,074,188	$ 26,780,130
Sewer Utility Capital Fund	2,638,820	1,822,746	816,074	977,736
	$ 74,914,563	$ 31,024,301	$ 43,890,262	$ 27,757,866

(b) Future principal payments of net outstanding debenture debt over the next five years and thereafter are as follows:

	General Capital Fund	Sewer Utility Capital Fund	Total
2004	$ 6,363,249	$ 187,996	$ 6,551,245
2005	6,363,249	187,996	6,551,245
2006	6,296,111	187,996	6,484,107
2007	6,127,946	187,996	6,315,942
2008	6,070,924	187,996	6,258,920
2009 and beyond	44,776,696	253,280	45,029,976
Total 2003	$ 75,998,175	$ 1,193,260	$ 77,191,435
Total 2002	$ 39,801,701	$ 1,438,875	$ 41,240,576

Total interest expense during the year was $3,556,897 (2002 - $3,039,962).

In addition to the aggregate amount of principal and interest payments noted above, the City has borrowing authority in place authorizing incremental borrowing in the amount of $10 million to fund the new multipurpose facility. The City anticipates that the related principal and interest payable over the next three years will equal $701,504 annually.

7. **Physical assets**

	Beginning balance	Capitalizations	Disposals	December 31, 2003 ending balance
Sanitary sewer utility	$ 17,845,083	$ 1,463,277	$ -	$ 19,308,360
Water utility	38,215,050	1,730,770	-	39,945,820
General capital:				
Engineering structures	128,561,645	5,205,298	-	133,766,943
Buildings	81,368,603	7,274,550	-	88,643,153
Machinery and equipment	61,183,763	4,355,397	(406,904)	65,132,256
Land	15,102,360	491,000	(2)	15,593,358
Work-in-progress	56,685	(56,685)	-	-
	$ 342,333,189	$ 20,463,607	$ (406,906)	$ 362,389,890

Notes to Financial Statements (continued)

8. **Operating Funds:**

The Operating Funds balance is appropriated as follows:

	Beginning balance	Appropriations	Transfers	Current year's surplus: General operating	Water operating	Sewer operating	Ending balance
Unappropriated balance:							
Surplus	$ 1,250,549	$ (2,073,367)	$ 500,000	$ 959,367	$ 365,082	$ (55,951)	$ 945,680
Appropriated balance – reserve accounts:							
Working capital funds	3,039,094	91,170					3,130,264
Economic development	1,215,594	636,468					1,852,062
Casino gaming revenue share	836,287	25,089	(85,671)				775,705
Debt reduction	840,386	525,383					1,365,769
Self insurance	3,542,676	106,280	(500,000)				3,148,956
Fringe benefit rate stabilization		165,482					165,482
Water utility	1,770,000	53,100					1,823,100
	11,244,037	1,602,972	(585,671)				12,261,338
Operating Funds balance	$ 12,494,586	$ (470,395)	$ (85,671)	$ 959,367	$ 365,082	$ (55,951)	$ 13,207,018

9. **Equity in physical assets:**

The equity in physical assets balance is comprised of the following:

	2003						
	Beginning balance	Debt principal repayments	Actuarial adjustment	Capital expenditures	New debt issue	Disposals	December 31, 2003 ending balance
General capital	$ 259,027,626	$ 3,207,714	$ 807,125	$ 17,169,523	$ (20,000,000)	$ (406,906)	$ 259,805,082
Water utility capital	38,218,556			1,727,263			39,945,819
Sewer utility capital	16,867,347	128,135	33,524	1,463,277			18,492,283
Equity in physical assets balance	$ 314,113,529	$ 3,335,849	$ 840,649	$ 20,360,063	$ (20,000,000)	$ (406,906)	$ 318,243,184

10. **Reserve Funds:**

The Reserve Funds balance is comprised of the following:

	Beginning balance	2003 transfers from General Operating Fund	2003 transfers from General Capital Fund	2003 transfers to General Capital Fund	Debt proceeds	December 31, 2003 ending balance
Equipment replacement	$ 15,889,363	$ 3,492,403		$ (4,913,845)	$ 14,229,321	$ 28,697,242
Offstreet parking	579,067	209,309				788,376
Local improvements	775,828	22,719				798,547
Tax sale lands	4,559,721	130,700	133,541	(999,993)		3,823,969
Parks and greenways acquisition	257,085	157,712	19,474			434,271
Leisure services	471,346	37,061		(83,315)		425,092
	$ 22,532,410	$ 4,049,904	$ 153,015	$ (5,997,153)	$ 14,229,321	$ 34,967,497

11. Net taxes available for municipal purposes:

	2003	2002
General taxation:		
Property and business taxes	$ 123,134,148	$ 115,856,580
Utility 1% tax	1,064,340	1,048,207
Special assessments:		
Boulevard frontage	593,355	526,151
Local improvement	6,008	6,008
Specified area improvement	186,616	186,616
Sewer frontage	544,828	542,901
Hotel tax:		
Tourism Victoria - Destination Marketing Commission	1,969,328	2,106,130
Victoria Conference Centre	485,646	475,040
Less transfers to other governments:		
Capital Regional District	(7,541,630)	(7,011,661)
School Authorities	(43,159,903)	(40,821,839)
Regional Hospital District	(3,979,274)	(4,024,886)
Municipal Finance Authority	(1,945)	(1,978)
BC Assessment Authority	(1,443,748)	(1,425,650)
BC Transit	(2,816,509)	(2,821,414)
Net taxes available for municipal purposes	$ 69,041,260	$ 64,640,205

12. Grants in lieu of taxes:

	2003	2002
Federal	$ 2,022,301	$ 2,129,785
Provincial:		
BC Buildings Corporation	2,973,435	2,753,829
Provincial agencies:		
BC Housing Management Commission	319,032	299,634
BC Hydro	179,612	169,339
BC Ferries	58,200	58,200
ICBC	186,398	194,669
Less transfers to other governments:		
Capital Regional District	(484,459)	(464,200)
School Authorities	(895,498)	(927,691)
Regional Hospital District	(78,643)	(88,592)
Municipal Finance Authority	(18)	(25)
BC Assessment Authority	(29,778)	(32,657)
BC Transit	(70,624)	(78,611)
	$ 4,179,958	$ 4,013,680

13. Government transfers:

The following government transfers have been included in revenues:

	2003	2002
Unconditional transfers from provincial government:		
Traffic fine revenue sharing	$ 481,813	$ 404,021
Conditional transfers:		
Jail services	250,565	385,092
Infrastructure grants:		
Sewer	-	10,000
General capital	531,435	279,010
Cost sharing:		
Water	173,245	626,755
General capital	202,584	76,022
	1,157,829	1,376,879
	$ 1,639,642	$ 1,780,900

14. Expenditures by object:

	2003	2002
Salaries, wages and employee benefits	$ 70,866,219	$ 64,873,226
Equipment	9,458,495	8,462,272
Materials, supplies and contracted services	36,597,337	30,444,302
Interest and foreign exchange	3,851,780	3,452,554
Other	6,191,810	6,769,639
	$ 126,965,641	$ 114,001,993

15. Contingent liabilities:

The City is defendant in various lawsuits as of December 31, 2003. Included in other liabilities is an accrual in respect of legal claims that are likely to be successful and the City's solicitor has quantified. The remaining claims, should they be successful as a result of litigation, will be recorded when a liability is likely and determinable. An insurance reserve of $3,148,956 (2002 – $3,542,676) is maintained to offset settlements, should any arise, and insurance coverage is maintained to provide for insurable claims, should they exceed the liability deductible of $1,000,000 in any year.

New condominium construction in British Columbia over the last ten years has resulted in significant construction deficiencies. Liability for these deficiencies is presently being addressed by the courts. The impact of the courts' decisions and their effect on the City are unknown at this time. The City has received various statements of claim with respect to alleged construction deficiencies. Statements of defence have been made on behalf of the City by the City's solicitors. No determination of the City's liability, if any, has been made and no estimate of potential loss can be made or recorded at this time. Any liability will be recorded when a settlement is likely and the amounts are determinable.

Capital Regional District debt, under provisions of the Local Government Act, is a direct, joint and several liability of the Capital Regional District and each member municipality within the Capital Regional District, including the City.

The City is reviewing environmental objectives and potential liabilities for its activities and properties and potential site reclamation obligations. The amount of any such obligations has not been determined.

16. Pension plan:

The City and its employees contribute to the Municipal Pension Plan (the plan), a jointly trusteed pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory defined benefit pension plan with about 123,000 active contributors including approximately 28,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2000 indicates a surplus of $436 million for basic pension benefits. The next valuation will be as at December 31, 2003 with results available in 2004. The Joint Trust Agreement specified how surplus assets can be used. The actuary does not attribute portions of the surplus to individual employers. The Corporation of the City of Victoria paid $4,516,905 for employer contributions to the plan in fiscal 2003.

17. Commitments and contingencies:

In the normal course of business, the City enters into commitments for both capital and operational expenditures. These commitments have been budgeted for within the appropriate annual budget and have been approved by Council.

(a) Multipurpose facility:

The City has entered into a partnership with RG Properties to construct a new multipurpose facility on the former Memorial Arena site. The facility is currently scheduled for completion by November 2004. The City borrowed $20 million during 2003 and is committed to borrow an additional $10 million during 2004 to fund the construction of the facility. The City is expecting to spend approximately $24 million in 2004 on this new facility.

(b) Municipal Finance Authority debt reserve fund deposits:

Under borrowing arrangements with the Municipal Finance Authority ("MFA"), the City is required to lodge security by means of demand notes and interest-bearing cash deposits based on the amount of the borrowing. As the debt principal is retired, demand notes are released and the cash deposits are refunded and recorded as operating income in the period received.

As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. These deposits, which are contingent in nature, are held by the MFA to act as security against the possibility of debt repayment default, and are not reflected in the accounts. If the debt is repaid without default, the deposits are refunded to the City.

	2003	2002
Cash deposits	$ 1,013,236	$ 1,227,343
Demand notes	2,729,986	2,697,918
Total	$ 3,743,222	$ 3,925,261

18. Trust assets and liabilities:

The City administers the following trusts on behalf of third parties:

	2003	2002
Ross Bay Cemetery	$ 417,346	$ 398,640
Nature Interpretation Centre	481,314	258,198
Bastion Square	257,349	186,747
	$ 1,156,009	$ 843,585

The Ross Bay Cemetery Trust is a care fund for the non-commercial Ross Bay Cemetery and is used for perpetual maintenance.

The Nature Interpretation Centre is a trust for the construction of a nature interpretation center in Beacon Hill Park.

The Bastion Square Revitalization Trust is a trust received from the Bastion Square Association Society for the sole purpose of improving Bastion Square.

In the normal course of business, the City enters into commitments for both capital and operational expenditures. These commitments have been budgeted for within the appropriate annual budget and have been approved by Council.

19. Change in accounting policy:

Effective January 1, 2003, the City has adopted the standard in section PS 1500 of the CICA Handbook for the accounting of inventory. This change has been applied retroactively and has decreased amounts previously reported in operating funds and physical assets as at December 31, 2002 and 2001 by $822,818.

	2003	2002
Operating fund balance, as previously reported	$ 13,317,404	$ 11,195,033
Adjustment to reflect change in accounting policy for inventory	822,818	822,818
Operating fund balance, as restated	12,494,586	10,372,215
Current year's operating excess of revenue over expenditure	712,432	2,122,371
Operating fund balance, end of year	$ 13,207,018	$ 12,494,586

20. Comparative figures:

Certain of the comparative figures have been restated to conform with the current year's presentation.

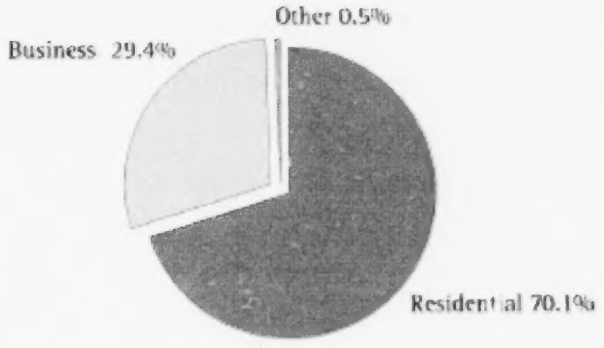
21. Subsequent event:

Subsequent to year-end, the City has agreed, through the collective agreement bargaining process, to fund fifty percent of the costs associated with certain employees buying back pension service related to probation periods. While these amounts are not fully determinable at this time, the City estimates the liability will be approximately $990,000.

Taxable Assessments of Land and Improvements 1999 - 2003 (in millions)

Property Class	1999	2000	2001	2002	2003
Residential	$ 4,914	$ 4,870	$ 4,905	$ 4,999	$ 5,566
Utilities	7	8	9	10	11
Industrial – Light	24	27	27	27	25
Business	1,947	2,033	2,126	2,178	2,334
Seasonal	10	9	8	9	15
	$ 6,902	$ 6,947	$ 7,076	$ 7,223	$ 7,951

Assessments by Type



Source: BC Assessment Authority

Property Tax Rates 1999 - 2003

	1999	2000	2001	2002	2003
MUNICIPAL ($ per 1000 assessment)					
Residential	5.0093	5.1662	5.4699	5.6138	5.3993
Utilities	34.0880	32.6270	33.7871	35.2970	33.3890
Industrial - Light	13.0592	13.5690	14.3049	14.9839	17.4882
Business	13.6352	13.3618	13.5149	14.1188	14.1844
Seasonal	9.3658	10.2844	9.9022	10.5877	10.1316
TOTAL - Including School, Region, etc. ($ per 1000 assessment)					
Residential	9.5395	9.8702	10.2433	10.4882	9.9688
Utilities	54.9989	53.9543	55.2609	57.2925	54.9333
Industrial - Light	26.3102	27.1375	28.2480	29.1740	31.7575
Business	26.6854	26.6286	27.0300	27.8457	27.7378
Seasonal	15.4198	16.6154	16.1549	17.0172	16.4349
MUNICIPAL TAX BILLINGS BY PROPERTY CLASS (in thousands)					
Residential	$24,693	$25,241	$26,830	$28,062	$ 30,053
Utilities	251	255	312	356	377
Industrial - Light	317	360	389	405	429
Business	26,542	27,170	28,739	30,756	33,099
Seasonal	92	92	83	91	156
TOTAL	$51,895	$53,117	$56,354	$59,670	$ 64,114

New Construction 1999 - 2003

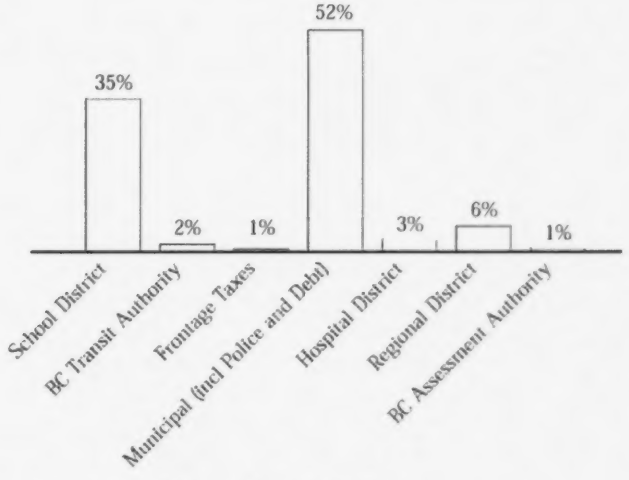
	1999	2000	2001	2002	2003
Construction Permits	2,948	2,848	2,907	2,827	2,944
Construction Value ($ Million)	$178	$103	$106	$145	$ 133
Taxes Generated from New Growth	$193,444	$471,109	$777,701	$1,078,658	$ 873,382

Source: City of Victoria Finance Department

Property Tax Levied and Collected 1999 - 2003 (in thousands)

	1999	2000	2001	2002	2003
Municipal (incl. Police and Debt)	$ 51,895	$ 53,117	$ 56,354	$ 59,670	$ 64,114
Hospital District	2,605	2,817	3,734	4,037	3,979
Regional District	5,705	6,645	6,179	7,021	7,542
BC Assessment Authority	1,354	1,391	1,419	1,426	1,444
Finance Authority	2	2	2	2	2
School District	37,776	38,802	39,848	40,822	43,160
BC Transit Authority	1,895	1,964	2,800	2,821	2,817
Frontage Taxes	1,603	1,628	1,256	1,257	1,273
	$102,834	$106,365	$111,592	$117,056	$ 124,330
Total Current Taxes Levied	$ 102,834	$ 106,365	$ 111,592	$ 117,056	$ 124,330
Current Taxes Collected	$ 100,573	$ 104,204	$ 109,368	$ 113,645	$ 120,931
Percentage	97.36%	97.45%	97.31%	97.09%	97.27%
Outstanding at Beginning of Year	$ 3,317	$ 3,705	$ 3,784	$ 3,341	$ 4,221
Arrears Collected	$ 2,340	$ 2,495	$ 2,668	$ 2,531	$ 3,441
Percentage	70.55%	67.35%	70.51%	75.76%	81.51%
Total Tax Collections	$ 102,913	$ 106,699	$ 112,036	$ 116,176	$ 124,372

2003 Taxes by Jurisdiction



Source: City of Victoria Finance Department

Principal Taxpayers and Percentage of Total Taxes 2003

Rank	Last Year	Property Owner	Taxes (in thousands)	Per cent
1	1	Ivanhoe Cambridge Inc	$2,721	2.19%
2	2	Legacy Empress Title Corp	2,512	2.02%
3	3	OPB Realty	2,018	1.62%
4	4	527701 BC Ltd	1,643	1.32%
5	7	Jawl Holdings Ltd	1,213	0.98%
6	5	BC Telephone Co	1,180	0.95%
7	20	Daishinpan (Canada) Ltd./Daishinpan Co. Ltd.	1,100	0.88%
8	6	Pacific Sun Hotel Inc.	975	0.78%
9	8	Columbus Real Estate Inc	726	0.58%
10	11	Gill-Am Investments Ltd	652	0.52%
11	10	596961 BC Ltd.	635	0.51%
12	15	Sussex Place Equities Ltd.	617	0.50%
13	12	Associated Building Credits Ltd	605	0.49%
14	21	Congdon Construction (1986) Ltd	596	0.48%
15	14	Canadian Imperial Bank of Commerce	581	0.47%
16	13	Paul's Restaurants Ltd	543	0.44%
17	--	The Greater Victoria Harbour Authority	479	0.39%
18	16	BC Hydro and Power Authority	479	0.38%
19	9	Grampion Holdings Ltd	476	0.38%
20	17	Westside Village Shopping Centre Ltd	433	0.35%
21	19	Park Pacific Apartments Ltd	412	0.33%
22	23	BC Transit	403	0.32%
23	18	Capital Region Housing Corp	398	0.32%
24	24	Sophie Investments Inc	395	0.32%
25	22	International Travel Inns Ltd.	385	0.31%
26	25	Wilson Kool Ltd	378	0.30%
27	--	Raamco International Properties Canadian Limted	376	0.30%
28	26	Executive House Ltd	374	0.30%
29	29	Urban Meister	357	0.29%
30	28	Ruth Singer Investments Ltd	353	0.28%
		Okabe North America Inc.	349	0.28%
		Sears Canada Inc	252	0.20%
			24,616	19.80%

Debenture Debt 1999 - 2003 (in thousands)

	1999	2000	2001	2002	2003
Gross Debt	$ 47,650	$ 47,650	$ 47,650	$ 51,889	$ 74,914
Less: Sinking Fund Payments	14,467	17,481	20,697	24,131	31,024
Net Debt	$ 33,183	$ 30,169	$ 26,953	$ 27,758	$ 43,890
General	$ 31,783	$ 28,901	$ 25,825	$ 26,780	$ 43,074
Sewer	1,400	1,269	1,128	978	816
	$ 33,183	$ 30,169	$ 26,953	$ 27,758	$ 43,890
Debt Servicing Costs					
Property Tax Supported	$ 5,529	$ 5,525	$ 5,520	$ 5,514	$ 5,970
Specified Area and Other	458	-	-	-	-
Sewer Utility	247	247	246	246	246
Total Debt Servicing Costs	$ 6,233	$ 5,771	$ 5,766	$ 5,760	$ 6,216
Population	73,504	73,504	74,125	74,125	74,125
Net Debt per Capita	$ 451	$ 410	$ 364	$ 374	$ 592
Debt Servicing per Capita	$ 85	$ 79	$ 78	$ 78	$ 84
Debt Service as % of Expenditures	6.12%	5.37%	5.29%	5.05%	4.90%
Gross Borrowing Power ($000's)	$ 237,792	$ 265,595	$ 269,670	$ 268,118	$ 307,882
Net Borrowing Power ($000's)	$ 190,142	$ 217,945	$ 222,020	$ 216,229	$ 232,968

Per Capita Net Debt
in thousands

Source: Municipal Finance Authority
Source: Population, Statistics Canada 2001 Census Data

Revenue and Expenses 1999 - 2003 (in thousands)

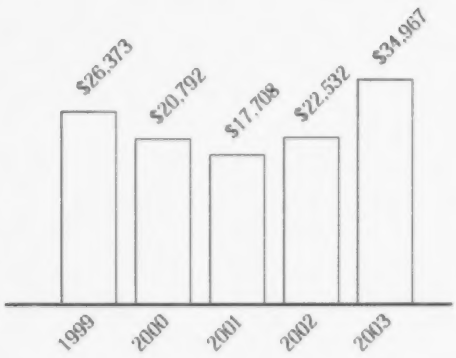
Revenue	1999	2000	2001	2002	2003
Property Taxes	$ 56,888	$ 58,091	$ 61,214	$ 64,640	$ 69,041
Payment In Lieu of Taxes	3,804	3,898	3,886	4,014	4,180
Sales of Services	21,281	20,687	22,313	26,596	26,050
Sale of Water	7,101	7,066	7,235	9,873	9,176
Licences and Permits	3,733	2,550	2,658	3,135	3,173
Fines	2,899	2,668	2,796	3,099	3,956
Rentals and Leases	654	672	577	647	774
Interest and Penalties	2,406	3,203	2,849	2,158	2,393
Unconditional Government Transfers	574	571	414	404	482
Other	2,683	3,541	3,745	4,453	3,803
Conditional Government Transfers	3,270	852	782	1,376	1,158
	$ 105,294	$ 103,799	$ 108,469	$ 120,395	$ 124,186
EXPENSES BY FUNCTION					
General Government	$ 16,795	$ 17,521	$ 19,488	$ 19,854	$ 22,323
Protective Services	31,520	31,766	34,306	35,825	43,192
Transportation Services	16,337	19,258	17,386	13,981	12,504
Environmental/Public Health	4,824	6,740	5,988	6,759	8,105
Community Planning	1,280	1,049	1,127	1,093	1,145
Parks Recreation and Cultural	22,288	21,014	21,222	23,645	27,193
Water Utility	6,842	7,513	6,982	9,852	9,435
Sewer Utility	1,912	2,658	2,480	2,993	3,069
	$ 101,797	$ 107,520	$ 108,980	$ 114,002	$ 126,966
EXPENSES BY OBJECT					
Salaries Wages and Benefits	$ 62,205	$ 60,213	$ 62,721	$ 64,873	$ 70,866
Equipment	10,519	7,932	8,348	8,462	9,459
Materials Supplies and Services	23,407	29,988	27,868	30,444	36,597
Interest	3,984	3,373	3,319	3,453	3,852
Other	1,682	6,014	6,724	6,770	6,192
	$ 101,797	$ 107,520	$ 108,980	$ 114,002	$ 126,966

Source: City of Victoria Finance Department

Reserve Funds and Statement of Surplus 1999 - 2003 (in thousands)

Description	1999	2000	2001	2002	2003
STATUTORY RESERVE FUNDS					
Equipment Replacement	$ 19,313	$ 15,313	$ 12,257	$ 15,889	$ 28,697
Offstreet Parking	1,335	961	445	579	788
Local Improvements	669	702	748	776	799
Tax Sale Lands	4,377	3,162	3,547	4,560	3,824
Leisure Services	679	655	712	471	425
Parks and Greenways Acquisition	-	-	-	257	434
	$ 26,373	$ 20,792	$ 17,708	$ 22,532	$ 34,967
STATEMENT OF SURPLUS (DEFICIT)					
General Operating Surplus	$ 2,484	$ 624	$ 585	$ 1,000	636
Water Operating Surplus	650	180	290	863	365
Sewer Operating Surplus	88	170	160	211	(56)
	$ 3,222	$ 974	$ 1,035	$ 2,073	$ 945
RESERVES PLUS SURPLUS	$ 29,595	$ 21,766	$ 18,744	$ 24,605	$ 35,912

Reserves
in thousands



Source: City of Victoria Finance Department

1999 - 2003 Capital Budget Expenditures and Funding Sources (in thousands)

	1999	2000	2001	2002	2003
EXPENDITURES					
Civic Facilities	$ 2,970	$ 1,764	$ 1,440	$ 1,183	$ 6,752
Miscellaneous	39	43	23	-	-
Equipment	1,761	3,108	5,078	3,205	4,229
Streets	3,614	1,382	2,718	1,621	2,376
Transportation and Development	720	482	424	348	277
Civic Services	-	-	39	44	23
Storm Drains	793	2,635	899	800	1,848
Parks	419	444	582	1,468	611
Planning and Development	715	341	167	73	38
Shoreline Protection	219	9	48	251	12
Revitalization	3	552	650	136	7
Downtown Revitalization	84	2,984	68	650	290
Environmental Remediation	-	6	44	594	497
Water Utility	1,182	1,471	1,266	2,251	1,731
Sewer Utility	298	962	831	1,074	1,463
Victoria Conference Centre	740	538	431	118	262
	$ 13,557	$ 16,720	$ 14,707	$ 13,816	$ 20,417
FUNDING SOURCES					
Capital Tax Levy	$2,076	$4,391	$3,965	$3,657	$ 4,264
Carry Forwards	50	602	-	-	-
Connection Fees	-	140	139	174	177
Equipment Replacement Reserve	2,374	2,703	4,534	2,569	3,345
Buildings and Infrastructure	1,973	3,134	1,925	1,280	1,382
Tax Sale Land Reserve	1,866	1,624	404	1,403	1,042
Parks and Recreation Facility Reserve	72	133	66	333	83
Off Street Parking Reserve	19	448	568	94	-
Development Cost Charges	-	-	-	-	80
Economic Development Reserve	-	112	134	375	-
Innovation Fund	-	-	167	33	-
Trust Funds	-	-	-	-	-
Casino Revenue	-	-	-	100	86
Grants and Partnerships	2,013	282	277	355	734
Debt	894	294	-	-	5,771
Water Utility	1,182	1,471	1,266	2,251	1,731
Sewer Utility	298	962	831	1,074	1,463
Victoria Conference Centre	740	427	431	118	260
	$ 13,557	$ 16,720	$ 14,707	$ 13,816	$ 20,417

Source: City of Victoria Finance Department

Demographic Statistics

Based on 2001 Census Figures – Statistic Canada

Population

Age	Male	Female	Total	% of Total Population
0 – 4 years	1,260	1,310	2,575	3.5%
5 – 9 years	1,235	1,225	2,460	3.3%
10 – 14 years	1,185	1,140	2,320	3.1%
15 – 19 years	1,595	1,705	3,300	4.5%
20 – 24 years	3,115	3,975	7,090	9.6%
25 – 29 years	3,500	3,635	7,130	9.6%
30 – 34 years	3,175	3,055	6,235	8.4%
35 – 39 years	2,870	2,740	5,610	7.6%
40 – 44 years	2,555	2,740	5,295	7.2%
45 – 49 years	2,615	2,895	5,505	7.4%
50 – 54 years	2,545	2,895	5,435	7.3%
55 – 59 years	1,750	1,900	3,645	4.9%
60 – 64 years	1,230	1,525	2,760	3.7%
65 – 74 years	2,285	3,025	5,310	7.2%
75+ years	3,050	6,415	9,450	12.7%
Total Victoria	33,965	40,180	74,120	100%

Family Income 2001

Under $10,000	880
$10,000 - $19,999	1,585
$20,000 - $29,999	2,150
$30,000 - $39,999	2,095
$40,000 - $49,999	2,155
$50,000 - $59,999	1,825
$60,000 - $69,999	1,630
$70,000 - $79,999	1,210
$80,000 - $89,999	895
$90,000 - $99,999	650
$100,000 and over	2,010

Source: Statistics Canada

Educational Level of Population Aged 15 Years +

To Grade 9	2,280
Grade 9 – 13	
With High School Certificate	5,860
Without High School Certificate	8,735
Trade Certificate or Diploma	6,160
College	
With Certificate or Diploma	10,640
Without Certificate or Diploma	4,745
University	
With Degree	14,990
Without Degree	7,515
With Certificate or Diploma	2,095
Without Certificate or Diploma	5,415
Total	68,435

Labour Force by Major Occupational Group

Occupation	Male	Female	Total
Management	2,600	2,090	4,690
Business, finance and administrative occupations	2,060	5,255	7,315
Natural and applied sciences	2,215	735	2,950
Health	645	1,925	2,570
Social science, education, religion, government service	1,745	2,565	4,310
Art, culture, recreation and sport	1,090	1,345	2,435
Sales and service	5,700	6,370	12,070
Trades, transport and equipment operators	3,080	255	3,335
Primary occupations	470	170	640
Processing, manufacturing and utilities	425	155	580
Total	20,030	20,865	40,895

Source: Statistics Canada

Miscellaneous Statistics 1999 - 2003

	1999	2000	2001	2002	2003
Population (latest census)	73,504	73,504	74,125	74,125	74,125
Voters List – Electors	48,900	48,900	48,900	51,612	46,937
Land Area in Hectares	2,335	2,335	2,335	2,335	2,335
Length of Roadways in kms	258	260	260	260	260
Sanitary and Storm Sewers in kms	479	479	479	479	479
Water Distribution System					
Length in kms	304	304	304	304	337
Number of Hydrants	1,385	1,634	1,641	1,648	1,655
Number of Services	18,650	18,706	19,128	18,346	18,546
Fire Protection					
Number of Uniformed Employees	107	107	107	107	107
Number of Civilian Employees	4	4	5	4	4
Number of Stations	3	3	3	3	3
Number of Responses	2,850	5,622	5,777	5,295	4817
Dollar Value of Losses ($ million)	1.07	5.67	8.98	4.72	4.61
Inspections Performed	8,363	5,732	5,918	6,172	7,981
Police Protection					
Number of Uniformed Employees	178	178	186	180	197
Number of Civilian Employees	56	57	59	63	70
Number of Crimes	22,729	22,049	21,101	19,581	19,277 (est)
Parks					
Number of Parks, Playlots, etc.	123	123	124	125	125
Land Area in Hectares	258	258	258	258	258
City of Victoria					
Number of Employees (FTE's)	947	969	971	969	975

Source: City of Victoria

The City of Victoria
#1 Centennial Square, Victoria, BC V8W 1P6
Tel: (250) 385-5711
www.city.victoria.bc.ca

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Back cover (left to right): Jesse Hlady, Tim Kearney, Tim Kearney, Jesse Hlady

Inside pages:
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Trees Saved	Wood Reduced (Lbs.)	Water Reduced (Gallons)	Landfill Reduced (Lbs.)	Net Greenhouse Emissions (Lbs.)	Energy Reduced Btu (000)
3.20	1880.19	2764.56	293.16	568.70	4556.08

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Tel: (250) 385-5711
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